

PROCEEDINGS



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New Delhi, India



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Ministry of Agriculture
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- Presenter 2: Mr. Thierry Langrenay, CEO of PACIFICA and Deputy CEO of Credit Agricole Assurance, France, Paris
- Presenter 3: Dr. Jean Claude Bidogeza, Lead Economist, African Risk Capacity (ARC), Paris, France
- Presenter 4: Ms. Mariem Dkhil, Director, Sustainable Development Finance, Crédit Agricole du Maroc, Rabat, Morocco

- Presenter 5: Mr. Siraj Hussain, Former Secretary, Department of Agriculture and Farmers Welfare, Government of India and Visiting Senior Fellow, ICRIER, New Delhi

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ACRONYMS AND ABBREVIATIONS

4Ps	Public-Private-Producer-Partnership
ACA	Agricultural Credit Association
ACRE	Agriculture and Climate Risk Enterprise
ADAF	Appropriate Development for Africa Foundation
ADBC	Agricultural Development Bank of China
AFD	Agence Francaise de Developpement
AFRACA	African Rural and Agricultural Credit Association
ALIDE	Asociacion Latino-Americana de Instituciones Financieras para el Desarrollo (Latin-American Association of Development Finance Institutions)
APRACA	Asia-Pacific Rural and Agricultural Credit Association
ARC	African Risk Capacity
ASA	Action for Social Advancement
AVC	Agricultural Value Chain
AVCF	Agricultural Value Chain Finance
BAAC	Bank for Agriculture and Agricultural Cooperatives
BC	Banking Correspondent
BIRD	Bankers Institute for Rural Development
CBO	Community-based Organisation
CCE	Crop-cutting Experiment
CDR	Corporate Digital Responsibility
CEREFA	Center for Research in Financing Agriculture
CICA	Confederation Internationale du Cr�dit Agricole
NLRM	National Rural Livelihood Mission
DBT	Direct Benefit Transfer
DFS	Department of Financial Services
EPDRA	Evangelical Presbyterian Development and Relief Agency
e-NAM	National Agriculture Markets Scheme
FAO	Food and Agriculture Organization
FIRA	Fideicomisos Instituidos en Relaci�n con la Agricultura
FPC	Farmer Producers Company
FPO	Farmer Producers Organisation
GDN	Global Development Network
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIIF	Global Index Insurance Facility
GIRSAL	Ghana Incentive-Based Risk-Sharing System for Agricultural Lending Project
GoI	Government of India
GVA	Gross Value Added
ICAR	Indian Council for Agricultural Research
ICT	Information and Communication Technology
ICT4D	Information and Communications Technologies for Development
IDFC	International Development Finance Club
IFAD	International Fund for Agricultural Development
INR	Indian Rupee
ISF	Initiative for Smallholder Finance
JLG	Joint Liability Group

KCB	Kenya Commercial Bank
KCC	Kisan Credit Card
KM	Knowledge Management
KYC	Know Your Customer
MAKFIN	Market Access Finance
MC2	Means, Competencies, Community
MFI	Microfinance Institution
MNC	Multi-national Company
MoA&FW	Ministry of Agriculture and Farmers Welfare
MPCI	Multi-peril Crop Insurance
MTR	Mid-term Review
MUDRA	Micro Units Development and Refinance Agency
MW	Megawatts
NABARD	National Bank for Agriculture and Rural Development
NAFIS	NABARD All-India Financial Inclusion Survey
NBFC	Non- Bank Financial Company
NDB	National Development Bank
NDDB	National Dairy Development Board
NENARACA	Near East-North Africa Rural and Agricultural Credit Association
NIAP	National Institute of Agricultural Economics and Policy Research
NIRSAL	Nigeria Incentive-based Risk Sharing System for Agricultural Lending
NITI	National Institution for Transforming India
NPCI	National Payment Corporation of India
p.a.	per annum
PMJDY	Pradhan Mantri Jan Dhan Yojana
PODF	Producers' Organization Development Fund
POS	Point-of-Sale
PPP	Public-Private Partnership
PSL	Priority Sector Lending
RACA	Regional Agricultural Credit Association
RBI	Reserve Bank of India
RIDF	Rural Infrastructure Development Fund
RMB	Renminbi
RRB	Regional Rural Bank
SDGs	Sustainable Development Goals
SHG	Self-help Group
SME	Small and Medium Enterprise
SSTC	South-South and Triangular Cooperation
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic & Social Affairs
UPNRM	Umbrella Programme for Natural Resource Management
USD	US Dollar
VC	Value Chain
VSAT	Very Small Aperture Terminal
XIM	Xavier Institute of Management

ACKNOWLEDGEMENT

It is with distinct honour that on behalf of APRACA and co-host National Bank for Agriculture and Rural development (NABARD), India, we present herewith the final report of the 6th World Congress, held in the bustling and historical city of New Delhi in India. APRACA is extremely privileged to lead this sixth rendition of the event after the last five events in Addis Ababa, Bangkok, Marrakech, Paris and Senegal hosted by CICA, APRACA, NENARACA, CICA and AFRACA together with their national members, respectively.

We are grateful to the Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India and the National Bank for Agriculture and Rural development (NABARD) for technical and logistical support provide to organize the 6th world congress. We are also grateful to the International Agencies like Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD) and other partner agencies for technical and intellectual support to the organizing committee of the World Congress.

The topics for discussion are timely as we confront current and emerging issues such as Sustainable Development, Insurance and other risk management issues, Agricultural MSME development, Climate change, Innovative financial systems, Public-private partnerships and digitization of agricultural finance among others. APRACA is grateful to the international experts for their sharing and time to be with us on this occasion as we confront emerging issues and as we see the emergence of stronger, more viable institutions.

On behalf of the entire APRACA membership, I wish to convey our heartfelt gratitude to the Chairmen, officials and members of the Agricultural Credit Associations (ACAs) for their active participation and presence in this gathering to make the world congress a successful global event.

The final report of the 6th World Congress is a reflection of the discussions held during the 2 days of deliberations and the key messages emerged during the congress and the New Delhi Declaration which is a humble pledge by all Agricultural Credit Associations (ACAs) and international agencies dealing with agricultural and rural finance to support the countries to achieve the sustainable development goals. My appreciation goes to Ms. Swati Pahwa, Rapporteur of the World Congress for documentation and Mr. Kittisak Mommoh for designing the reporting format.

We also acknowledge the continuous support from APRACA member institutions and partner organizations for providing financial support to organize this large-scale global event.

Dr. Prasun Kumar Das
Secretary General, APRACA

FOREWORD



Mr. Senarath Bandara
General Manager & CEO, Bank of Ceylon
and
APRACA Chairman

Agriculture and its many associated value-addition agribusinesses and services must play a crucial role in order to meet the UN Sustainable Development Goals (SDGs), including their important goals (SDG 1 and 2) and targets toward ending hunger, poverty and reducing inequality by 2030. The main objective of SDG# 2 is to promote investments in agriculture which is crucial to enhance the capacity for agricultural productivity and sustainable food production systems, which eventually are necessary to help alleviate the perils of hunger.

Being mindful to this emergent situation and urgency to improve the flow of finance and investment in rural and agricultural sector with a larger objective to achieve the financial inclusion, the regional and global rural and agricultural credit associations (ACAs)

unanimously adopted to convene the 'World Congress on Rural and Agriculture Finance'¹ at regular intervals and to be hosted by the regional/global ACAs around the globe.

In this direction, the '1st World Congress' was held in Addis Ababa, Ethiopia in 2005, the '2nd World Congress' was organized in Bangkok, Thailand in 2007 and the '3rd World Congress' was held in Marrakech, Morocco in 2010. Paris, France hosted the '4th World Congress' in 2013 and the '5th World Congress' was last held in Dakar, Senegal in 2016. During these years, the World Congress fora brought together who is who in rural and agricultural finance and stakeholders around the globe to share experiences on emerging and cross-cutting issues on the industry.

The theme, 'Rural and Agricultural Finance: Critical Input to Achieve Inclusive and Sustainable Development', has been carefully chosen by the 6th World Congress, which was held in New Delhi, India on 12-13 November 2019 and co-hosted by the National Bank for Agriculture and Rural Development (NABARD), India and the Asia-Pacific Rural and Agricultural Credit Association (APRACA). The World Congress received administrative support from the Government of India and its Ministry of Agriculture and Farmers Welfare. This global event was also collaborated by four other ACAs: (a) Confederation Internationale du Credit Agricole (CICA), (b) African Rural and Agricultural Credit Association (AFRACA), (c) Latin American Association of Development Financial Institutions (ALIDE), and (d) Near East-North Africa Regional Agricultural Credit Association (NENARACA).

¹ Rural and Agricultural Finance covers the flow of finance to agriculture and its subsectors, agricultural value chains, SMEs, cooperatives and other rural institutions (self- help groups, producers' companies/organizations, etc.).

I am extremely happy that the 6th version of the World Congress was a fully engaging event and the participation of the global community was extremely worthy. The World Congress was a complete success to achieve its broad objectives on combating poverty and inequality, responding to the threats of climate change by 2030 and ensuring the commitments of active support from the financial sector and policy makers to reach out where it is urgently needed. The World Congress also accomplished the specific objective of taking stock of the global approach to rural and agricultural finance, which is considered as the critical input for achieving inclusive and sustainable development across the sector. It provided a global platform worthy to debate and share core and complementary competencies of the financial sector on delivering finance to achieve equitable growth and development across the region and bringing in the innovations, and promoting international and interregional cooperation.

The speakers and presenters of the World Congress were global leaders who shared their long experiences and expert views on the topics of interest in globalization of agricultural value chains, risk mitigation in agricultural finance, financial inclusion and the growth of the SMEs with special reference to the role of the financial institutions. I am sure that this report has captured all these important deliberations during the Congress. I hope that this document will be beneficial and helpful to the financial institutions, the policy-making bodies and influencers to provide sustainable financial services to the agricultural and rural sector, and support the endeavour to attain the 2030 SDG targets in their respective countries.

I wish that this report be disseminated by all our partner organizations and institutions for the benefit of the global community.

Colombo, 27 November 2019

Message from NABARD Chairman



Dr Harsh Kumar Bhanwala
Chairman, NABARD

Dear Friends,

As the Chairman of the host organization NABARD as also the vice Chairman of APRACA, I feel privileged to share with you the grand success of the 6th World Congress on Rural and Agricultural Finance held during 12-13 November 2019 at New Delhi which was inaugurated by the Honorable Finance Minister, Government of India (GoI), Smt. Nirmala Sitharaman. It exceeded our expectations in terms of level of participation, quality of deliberations and most importantly, the emerging outcomes that would go a long way in unleashing the potential of rural and agricultural finance to achieve the Sustainable Development Goals of the United Nations.

This Congress was successful in bringing together representatives from financial institutions, eminent global experts, policy makers, practitioners, regulatory authorities, Micro Finance Institutions, technology solution providers, development partners, etc. from across the globe for actively deliberating on varied aspects of rural and agricultural finance. It provided a great platform for cross learning, sharing of experiences and showcasing best practices and innovations from across the globe.

The GoI's Flagship programme for Financial Inclusion viz. Pradhan Mantri Jan Dhan Yojana (PMJDY) with as its basic tenets to bank the unbanked, secure the unsecured, fund the unfunded and serve the underserved, is today the world's largest financial inclusion programme catering to the last mile. This coupled with world's largest micro finance intervention of Self Help Group Bank Linkage Programme (SHG-BLP) has the potential to include vulnerable population in the development agenda. Few more innovative practices such as Kenya Commercial Bank (KCB) closed circuit value chain financing of maize in Kenya, Ghana Incentive-based Risk-sharing System for Agricultural Lending's (GIRSAL's) six pillar approach to de-risk agricultural financing in Ghana etc. are worth studying and replicating in other countries after suitable adaptation.

Several implementable action points/recommendations emanated from the deliberations and NABARD with active support of GoI and Reserve Bank of India is committed to take these implementable action points to their logical conclusion in a systematic and time bound manner and exhort other stakeholders to do the same.

Let us all take a combined pledge to synergize, converge and collaborate to reinvigorate and revitalize the rural and agricultural sector.

Mumbai, 20 November 2019

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Message from AFRACA Chairman



Dr. Bassary Touré
Vice-President, West African Development Bank
and
Chairman, AFRACA

As we celebrate our united successes during this 6th World Congress on Rural and Agricultural Finance based on our contribution to the economic transformation of our various continents, let me remind all of us also of the heavy responsibility we have to shape rural agricultural finance in a manner that will make it truly beneficial to our rural and agricultural populations.

This year's global event among partner rural and agricultural credit associations could not have come at a better time than this, because it is being held when climate change effects are really threatening not only our human existence but also agriculture which puts food on the table. It is also significant to note the

venue as New Delhi in India, a country where emerging agricultural technologies are gaining traction with spill-over to other countries in the developing world.

A look at the programme shows a good number of innovative topics with diverse approaches to supporting agricultural financing in our respective continents.

I commend APRACA, NABARD, the World Congress Organizing Committee and the Government and people of India for hosting the 6th World Congress. It is my hope that the valuable experiences shared across the continents and the lessons learnt out of this Congress would spur us on to deliver even better agricultural financial services to agricultural value chain actors.

I will urge that we continue to maintain the network we have so as to benefit from diverse sources of innovations to promote rural development.

I wish all of us a successful congress.

Nairobi, 21 November 2019

Message from CICA Chairman



Dr. Jean-Marie Sander
CICA Chairman

The 6th World Congress on Agricultural and Rural Finance held in New Delhi, India on 12-14 November 2019 was a great success. The event's success reflects the quality of the preparations, which were coordinated by the Asia-Pacific Rural and Agricultural Credit Association (APRACA) and its leaders: Chairman Mr. Senarath Bandara, Secretary General Dr. Prasun Das and their team. It also reflects the commitment of the National Bank for Agriculture and Rural Development (NABARD) Chairman Dr. Harsh Kumar Bhanwala and his team to provide a welcoming working environment. Organisations including the CICA also helped ensure the event's success by helping with the preparation and hosting

of the World Congress and convincing a large number of their members to attend.

The topics we addressed were extremely important. They focused on inspiring and encouraging our agricultural and rural financing institutions to foster sustainable, inclusive development for communities living in poverty by pursuing the United Nations Sustainable Development Goals for 2030: zero hunger, good health and well-being, gender equality, and responsible consumption and production, among others.

There were several highlights of the Congress – the commitment shown by the Indian Government and its extremely ambitious programme to reduce poverty, the details provided by international agronomists and economists to explain the challenges facing farming and food production in feeding an ever-growing world population, and talks by international and national experts who reiterated the need to better organise and finance agricultural and agri-food value chains in emerging countries so that they can reach the same level of efficiency as advanced agricultural sectors. The CICA used the opportunity provided by the 6th World Congress to share its work in agricultural insurance with all the delegates and agricultural and rural financing organisations present. The development and more widespread distribution of agricultural insurance are essential to protect farming from climate risks.

The 6th World Congress ended with the New Delhi Declaration which marks the commitment of all our organisations to work together to build a sustainable future. Thank you to all participants in the World Congress and hope to see you again in the next one to be held in three years' time.

Zurich, 20 November 2019

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Message from ALIDE Chairman



Mr. Juan Curutchet
ALIDE Chairman

It is our understanding in ALIDE, based on our sharing of experiences, analyses and discussions, forums, studies and researches, that the agricultural and food sector, consisting of the primary agricultural sector and agribusiness, is confronted by significant challenges today.

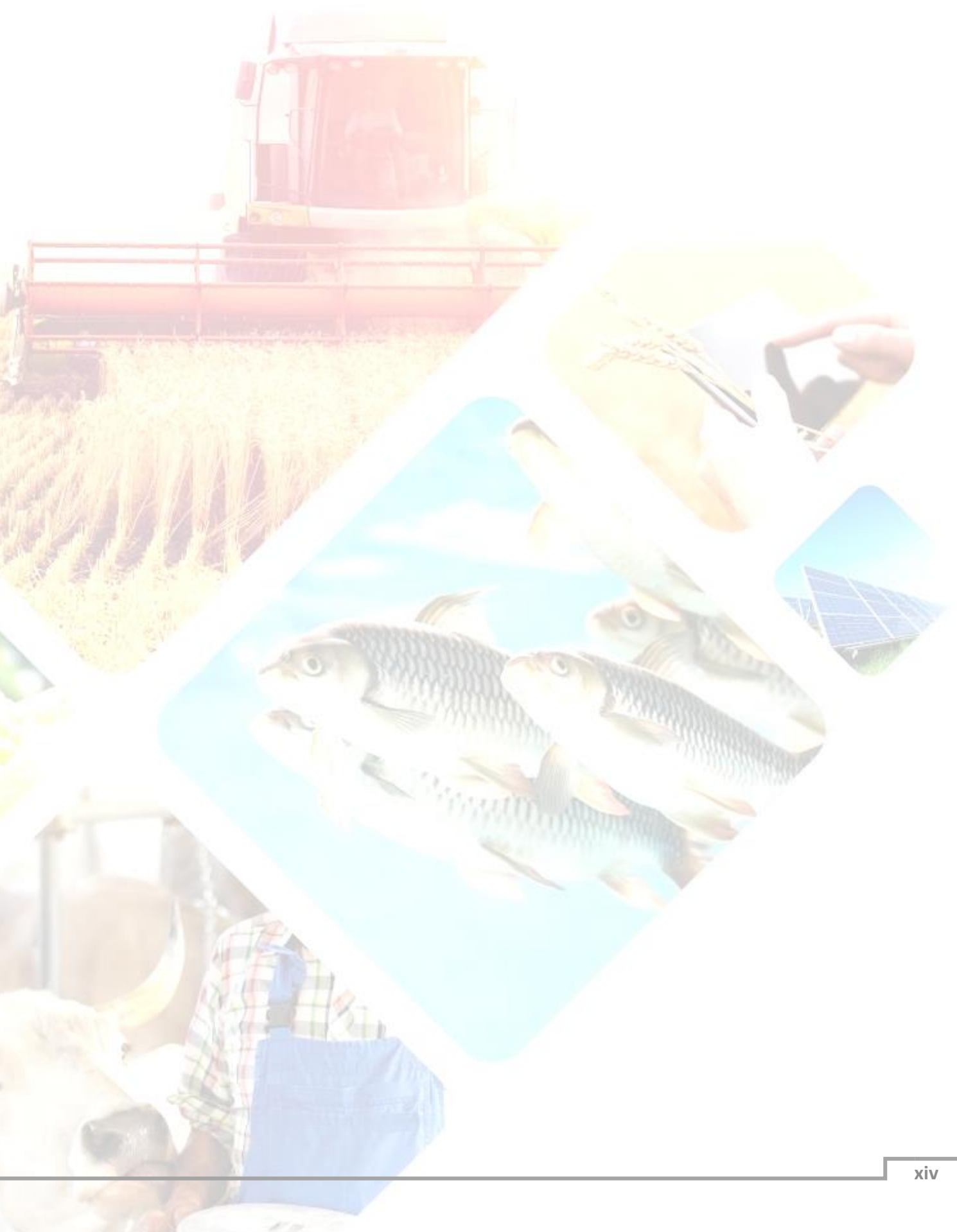
By way of example, how can productivity be increased by incorporating input-saving and natural resource-efficient technologies that are able to keep pace with population growth and the demand for food? How can rural development policies for low-income earners be implemented in order to enhance their earnings through the diversification and inclusion of new products? Can action be taken to adapt the agricultural and rural sector to climate change and mitigate its effects. The recurrence of climate phenomena undeniably poses a serious risk to the performance of activities in this sector.

Although this segment experiences problems of financing due to the risks inherent in the very nature of agriculture and the quality of the resources required, particularly human resources, the solutions to the problems plaguing agriculture must be integral. It must go hand-in-hand with technical assistance, technological support and training in organizational and marketing services management, including literacy education for rural producers. Unless there is a guaranteed market for the production, agricultural and rural activities will not be viable and, as a result, any support activity would not be sustainable.

In our experience in Latin America and the Caribbean, there is no single, defined universal strategy for raising agricultural financing that works for all countries as a whole. The most appropriate intervention will depend upon the targets and aims, the socioeconomic environment, culture and predominant values of the societies in question. While in some countries agricultural financing is provided by an integrated system of both wholesale and retail banks, in others, specialized agricultural banks perform that function. Still in others, large public multi-sector retail banks with a significant agricultural portfolio dominate the scene.

Resolving the problems of agricultural and rural development will require moving ahead with the analysis and sharing of knowledge, experiences and good practices. The World Congress on Rural and Agricultural Finance offers a good vehicle for learning from the players themselves what support is being given and how this support is given to the agricultural and rural sector in the different regions of the world. Hence, we are highly pleased that the next Congress will take place in Latin America and the Caribbean, specifically in Mexico, with the support of Fideicomisos Instituidos en Relación con la Agricultura (FIRA).

Lima, 21 November 2019



EXECUTIVE SUMMARY

1. Introduction

Close to 200 dignitaries, speakers and delegates (Annex 2 and 3 for the complete list of delegates and list of dignitaries and speakers with photos) participated in the 6th World Congress on Rural and Agricultural Finance on the theme “Rural and Agricultural Finance: Critical Input to Achieve Inclusive and Sustainable Development” held in the historic and cultural capital city of New Delhi, India on 12-13 November 2019.

The World Congress was organized under the auspices of one international and four regional agricultural credit associations (ACAs): i) Confederation Internationale du Crédit Agricole (CICA), ii) African Rural and Agricultural Credit Association (AFRACA), iii) Asociacion Latino-Americana de Instituciones Financieras para el Desarrollo (ALIDE) or Latin-American Association of Development Finance Institutions, iv) Asia-Pacific Rural and Agricultural Credit Association (APRACA), and v) Near East-North Africa Rural and Agricultural Credit Association (NENARACA). These five ACAs have a total membership of more than 300 finance- and agriculture-related institutions and organizations operating in more than 100 countries all over the world.

This World Congress, held for the first time in India and second in Asia, was hosted by APRACA and its national member National Bank for Agriculture and Rural Development (NABARD), with support from the Government of India. The inauguration of the World Congress was led by the Hon’ble Finance Minister of India Ms. Nirmala Sitharaman, together with the Chairmen and Secretaries General of the organizing agricultural credit associations, other dignitaries from the Government of India and senior officers from partner international development agencies- Food and Agriculture Organization of the UN, International Fund for Agricultural Development and the Agence Française de Développement.

International experts and resource persons were drawn from the agricultural credit associations, international research institutes, international non-government organizations and from various Government agencies of the host country. ACA members and their partners from more than 30 countries sent high-level delegations to the World Congress. This was the 6th rendition of the World Congress, previously held in: 1st - Addis Ababa, Ethiopia, 2005, host CICA; 2nd - Bangkok, Thailand, 2007, host APRACA and the Bank for Agriculture and Agricultural Cooperatives (BAAC), with the Royal Patronage of His Majesty the King of Thailand; 3rd - Marrakech, Morocco, 2010 host NENARACA and its member Groupe Crédit Agricole du Maroc, with the Royal Patronage of His Majesty the King of Morocco; 4th - Paris, France, 2013, host CICA and its member Credit Agricole SA, with the support from the Government of France; and 5th - Dakar, Senegal, 2016, hosted AFRACA with support from the Government of Senegal.

2. Broad objectives of the Congress

The World Congress brought together various stakeholders from around the globe to share experiences on emerging and cross-cutting issues in the industry as well as to showcase best practices and innovations in the rural and agricultural finance space worldwide. Agricultural and rural finance institutions are key stakeholders in addressing these challenges as they provide rural people and agricultural communities with needed financial services. The World Congress additionally promoted international and inter-regional cooperation to revolutionize finance for the agricultural value chains, reduce the incidence of adverse climate change, promote technological innovation in banking and encourage public-private-producers partnership in the primary sector.

The dissemination forum provided an appropriate platform for dialogue and exchange of experiences, to focus on significant world issues that impact on agricultural and rural finance institutions, to synthesize key concepts, success factors, innovations, lessons learned and insights based on the speeches, presentations and discussions and finally to summarize these into an official document – the NEW DELHI DECLARATION.

3. Content and methodology of conducting the Congress

The dissemination forum contained the following sessions: 1) an introductory plenary session, ii) an inaugural ceremony and lighting of the Ceremonial Lamp (signifying wisdom, knowledge and seeking blessings from the Almighty), iii) six business sessions on cross-cutting issues on the dissemination forum theme, and iv) a closing ceremony, that included a synthesis of the two-day proceedings, recommendations for continuing the way forward, the acceptance and signing of the NEW DELHI Declaration and a brief closing ceremony. Selected ACAs Chairmen and ACAs Secretaries General chaired the six sessions. Each business session addressed a different session sub-theme and discussions and synthesis were led by a session chairman. Experts from the five ACAs, partner international development agencies and selected private governmental and non-governmental organizations were selected as session presenters. Visuals such as power point presentations and videos were used to enhance the sharing. Each session cluster was followed by an open forum and a question and answer period. APRACA and CICA provided eight internationally qualified interpreters for the presentations and discussion in the major languages, including French, Spanish and Chinese languages.

The list of dignitaries, session chairpersons and presenters, with corresponding pictures, are shown in [Annexure 3](#). Key information, issues and challenges and salient recommendations were drawn from the addresses and presentations. In addition, lessons can be gleaned from the more detailed text of the report. The issues and recommendations were particularly highlighted in the New Delhi Declaration for more crisp attention and concise action to be taken.

4. Key issues and challenges highlighted

The agriculture sector is a major contributor of GDP of agriculture-based economies as compared to other sectors of the economy and is a primary source of livelihood for more than half of their total workforce. Credit is needed as an important indirect input among others to enhance productivity in

agriculture. In the context of rapid demographic growth, uncertain agricultural production and in order to promote global value chains in agriculture, it is imperative to boost this sector (including its sub-sectors) to meet the growing consumption demand. This will enable countries to tackle food insecurity, wealth/job creation, while ensuring that agriculture and rural development is in line with sustainability, social harmony and natural resources conservation. Agricultural and rural finance institutions are major stakeholders in these challenges as they continuously innovate in order to provide rural people with the most appropriate and suitable financial services that take into account their existing needs and anticipate the changes to come. The theme of the 6th World Congress has been carefully chosen as 'Rural and Agricultural Finance: Critical Input to Achieve Inclusive and Sustainable Development'.

There is an ever increasing need to invest in agriculture due to a drastic rise in global population and changing dietary preferences of the growing middle class in emerging markets towards higher value agricultural products. In addition, climate risks increase the need for investments to make agriculture more resilient to such risks. Estimates suggest that demand for food will increase by 70% by 2050 and at least \$80 billion annual investments will be needed to meet this demand, most of which needs to come from the private sector. Financial sector institutions in developing countries lend a disproportionately lower share of their loan portfolios to agriculture compared to the agriculture sector's share of GDP.

On the other side, the growth and deepening of agriculture finance markets are constrained by a variety of factors which include: inadequate or ineffective policies; high transaction costs to reach remote rural populations; covariance of production, market, and price risks; absence of adequate instruments to manage risks; low levels of demand due to fragmentation and incipient development of value chains, and lack of expertise of financial institutions in managing agricultural loan portfolios. The development and commercialization of agriculture require financial services that can support the following: larger agriculture investments and agriculture-related infrastructure that necessitate long-term funding (given that currently transportation and logistics costs are too high, especially for landlocked countries), a greater inclusion of youth and women in the sector, and advances in technology (both in terms of mechanizing the agricultural processes and leveraging mobile phones and electronic payment platforms to enhance access and reduce transaction costs). An important challenge is to address systemic risks through insurance and other risk management mechanisms and lower operating costs in dealing with smallholder farmers.

Agriculture finance and agricultural insurance are strategically important for eradicating extreme poverty and boosting shared prosperity. Globally, there are an estimated 500 million smallholder farming households – representing 2.5 billion people – relying, to varying degrees, on agricultural production for their livelihoods. The benefits of our work include the following: growing income of farmers and agricultural small and medium enterprise through commercialization and access to better technologies, increasing resilience through climate smart production, risk diversification and access to financial tools, and smoothing the transition of non-commercial farmers out of agriculture and facilitating the consolidation of farms, assets and production (financing structural change).

5. The New Delhi Declaration

The essence of the Sixth World Congress on Rural and Agricultural Finance is captured in the NEW DELHI Declaration. The importance of the Sustainable Development Goals (SDGs) is recognised and the participating institutions are committed to support activities that will contribute to promotion of investment in agriculture and sustainability in food production system. Rural and agricultural financial institutions will play an important role in scaling up private sector finance to low-carbon emissions and in encouraging climate resilient investments. The employment of agriculture and rural finance as strategic tool to enhance sustainability in farming systems is realized. The public-private partnership is encouraged to make a significant impact on alleviating the plight of vulnerable groups and tackling the challenges of food security. Off- farm activities in rural areas to supplement farm incomes will be promoted. Institutional financing through value chains is seen as the key solution to integrate informal groups in the formal sector. Similarly, collectivization of farmers in the form of farmer-producer organizations (FPOs) will have a great potential in increasing farmers' income when integrated with sustainable value chain. Harnessing of advanced technologies such as space and digital technologies to improve agriculture and rural finance delivery system is realised. The importance of risk management practices in the form of agriculture insurance is acknowledged.

6. Side events during the 6th World Congress

On the side-lines of the 6th World Congress, three major events were organized by SAFIN (Annual plenary meeting), MEDA (Dissemination forum on innovative financial instruments) and CICA (annual general meeting). The World Congress platform is an excellent opportunity and an important avenue for useful business and social networking among representatives of participating institutions and international development agencies.

The event was covered widely by the national and International print and electronic media. The detailed of the media coverage for the 6th World Congress is provide in [Annexure 1](#).

KEY RECOMMENDATIONS

Plenary Session

1. Out of 17 Sustainable Development Goals (SDGs), 6 of them highlight the role of the youth in its sustainability. Digital technology is creating new opportunities for youth in non-farm sector. Initiatives and investments aimed at creating self-employment opportunities for rural youth in non-farm sector involving digital technology may be taken up. This will not only enhance their income but will also reduce their migration to urban areas.
2. There are approximately 70 million active Kisan (Farmer) Credit cards (KCCs) issued to the farmers against a total of 145 million operational holdings in India. To reap the maximum benefits out of this unique scheme, sensitization of ground level officials on effectiveness of this financial instrument need to be revamped. Government need to monitor that all eligible and willing farmers should get the benefit of the KCC to ensure timely and affordable credit and ensure financial inclusion.
3. The focus on agri-value chain development and finance will help reduce risk and vulnerabilities of farming community. Therefore, the national governments and the financial institutions in partnership with agencies like IFAD/FAO and other international agencies need to focus on developing an ecosystem to facilitate greater credit flow to the entire agriculture value chain.

Inaugural Session

4. In order to ensure better price discovery to the farmers, there is a need to extend marketing support to the farmers in the hinterlands and the national level development financial institutions should initiate steps to extend marketing support to them for procurement of niche agri-horti-livestock products and support.
5. There is huge potential to tap solar energy at the village level for farm mechanization (energizing irrigation pumps etc.), to reduce the cost of cultivation resulting higher income for smallholder farmers. Therefore, there is a need to install solar panels in those pieces of land where they are unable to grow agricultural produce due to lack of access to traditional energy. All stake holders should initiate steps in this direction.
6. The national governments need to focus on the priorities of small-scale fishers (SSFs) in the coastal and inland water areas and provide policy supports so that they could access affordable credit and insurances. Apart from traditional financial facilities to fishing, the financial institutions need to support SSFs in developing and marketing of non-traditional products like seaweed, spirulina, algae and other nutrients with the help of Producer Organizations (POs). Governments should also plan to set up fish processing centres that will not only enrich local nutrients but also enhance income of fishermen in coastal areas.

7. The saline, marshy, peat lands need to be converted into agri-horti farms with high potential of producing commercial crops for domestic as well as export markets. Detailed research and documentation on best practices in the countries already adopted this has to done on urgent basis. Dissemination of the success stories and scaling up need to be undertaken by the government agencies, if found suitable for their conditions.

8. Agricultural produce marketing and Information emerged as the most important tool for the smallholder farmers for efficient marketing and getting value for their products and hence needs to be rejuvenated in the developing countries. Therefore, the national governments should be cajoled to switch over to Electronic National Agriculture Market as the electronic trading platform to create a unified national market for agricultural commodities.

9. Farmers should be encouraged to diversify their crops towards commercial crops that would not only fetch better returns but also improve the export potential of the country and earn foreign exchange.

10. There is an urgent need to focus on the emerging micro climate change issues at the field level. For example, water stress in many countries reduces the efficiency of agricultural productivity and financing the water saving techniques like drip and sprinklers might be one of the major tools to bring agriculture on track.

11. Digital technology should be used to reach to the last mile beneficiaries /farmers/growers/MSME and linking their bank accounts for Direct Benefit Transfer (DBT) which may help remove pilferage and save resources.

12. Producer Organisations (POs) in agriculture and allied activities are proved to a be the most potential business models in supporting the small and marginal farmers to provide platform for backward and forward linkages with the value chains. All stakeholders need to work on it to form farmers collective for aggregation of produce and marketing them through network of POs.

13. With the development/introduction of producers organizations for small farmers become functional, there will be a huge traction as farmers will start anchoring the value chain, which in turn, would create demand for value chain financing. Therefore, there is a need for financing of different entities and activities in the value chains by the Banks and other institutional lenders.

14. The bigger challenge now is to take financial inclusion to the next level. Fintech solutions using Artificial Intelligence, Data Analytics, Block Chain Technology should be leveraged in financial inclusion initiatives that would help in fulfilment of SDG and inclusive development.

Business Session 1: Mainstreaming Sustainable Agriculture to Achieve 2030 Agenda

15. It has been estimated that in the absence of any correction on the consumption pattern, food demand will increase by around 60% by 2050 compared to the present times primarily due to changing demography and rising standard of living of the world population. Therefore, there is need

to stabilize the progression of demand increase to nearly 30% till 2050 (instead of +60%). This can be achieved by moderation in meat consumption in the developed countries and reduction of food wastage, less concentrated feed for milk and meat and more focus on fisheries.

16. In order to increase the supply to match the demand, agriculture productivity needs to be improved. The productivity could be increased through appropriate plant selection/breeding with greater emphasis on reduction of ecological foot print and animal breeding with societal expectations.

17. For augmenting the supply, there is a need to improve biodiversity, sustainability, and develop coping mechanism for climate change mitigation and adaptation.

18. The level of research and extension for improved seeds, plant protection, weed management, weather management, etc. needs to be substantially upgraded to increase agriculture production and productivity.

19. Country wide studies in India measuring crop losses reveal that about 4 to 6 per cent of food grains were lost during harvesting, post harvesting activities, handling and storage. In order to enhance income of farmers, there is a need for reduction of post-harvest food losses through private and public investments in storage and post-harvest infrastructure.

20. With increasing number of small holders and farmers having poor financial capability, the focus should be on designing better financial services and products for the poor like microcredit and micro-insurance.

21. With shifting of focus from increasing productivity to increasing income, the emphasis in agriculture sector should shift to value chain development for all perishable horticultural crops. For this we need to create supporting infrastructure in the form of cold storage, warehouses, cold chains and refrigerated vans, etc.

Business Session 2: Smallholder Aggregation Model for Efficient Value Chain and their Financing

22. Lack of Seed Money Assistance and Interest Subvention for new Farmer Producer Organization (FPOs) are emerging as major constraints for them. Therefore, we need to provide them with seed capital to enable them to stand on their own. Similarly, there is a need to give them facility of interest subvention while availing credit from the institutional sources.

23. In view of the difficulties faced by Indian FPOs in statutory and regulatory compliances, including KYC compliances the hand holding support by FPO promoting institution may be provided to them for a period of at least 5 years instead of present support for 3 years.

24. In order to strengthen the value chain, contract farming has been a good innovation. Buyers are motivated by secured product supply and farmers are motivated by assured market and secured

prices. Furthermore, in contract farming, technical help given to farmers reduces production related risk. Therefore, there is a need to promote contract farming in a big way with required support in the form of finance and inputs to the farmers.

25. In view of multi-faceted problems faced by FPOs, there is a need for an institution at national level to take up all issue of FPOs for umbrella support. Therefore, suitable institutional should be established to promote, train, support and nurture FPOs in India.

26. In view of protected agricultural projects having multiple benefits in the form of lower greenhouse gas emissions, water saving, higher production & productivity, per lower use of energy, there is a need to promote protected agricultural cultivation in a big way with suitable financing and supportive technology.

Business session 3: Credit Flow to Agriculture and its Value Chain to Achieve Revitalized Rural Landscape and Deliver Inclusive Growth

27. Once a country has attained self-sufficiency in food production, the country should pursue the goal of integrating the farmers in the value chain to bring them maximum benefits of their production. Towards this end, farmers should move away from cereal production and diversify towards high value horticultural crops and try to successfully integrate them in the value chains.

28. There is a need to develop new business models and innovative products to encourage rural revitalisation through successfully established value chains. For this, specialised institutions with dedicated responsibility of encouraging the integrations of farmers in the value chains need to be established for better returns in the long run.

29. Holistic development of the value chain involves cooperation among the different players, so as to provide a comprehensive ecosystem for their development. Therefore, there is a need to focus on strengthening the relationship among all components of a value chain.

Business session 4: Agricultural Value Chain Finance Innovations and Lessons: Case Studies in Africa

30. Successful case studies indicate that women-initiated and women-led local initiatives can become important national value chains and play an important role in achieving household prosperity, developing the agricultural sector and supporting national food security. Therefore, there is a need to pay special attention in ensuring inclusion of women farmers in the value chains.

31. Successful case studies indicate that innovations had some public support at initial stages. Therefore, role of public sector is important in providing initial support in the form of investment and enabling environment.

Business Session 5: Agriculture Insurance and Risk Management especially to Facilitate Achieving SDGs

32. There is an increasing trend to move away from the use of *insurance as a protective tool* to it being *used as a productive tool* which can foster credit linkage and lead to better agricultural production. Insurance as a standalone product, is becoming increasingly unviable. Thus, it is important to bundle insurance along with other value added services and products like seed, credit etc. so that insurance adoption can be scaled up.

33. Delay in settlement of agriculture insurance claims has been an important issue and there is a need to rope in specialised agencies that can leverage technology involving satellites, remote sensing, unmanned aerial vehicles and Artificial Intelligence to assess crop losses in quick and accurate manner so that claim settlement is higher and faster.

34. The penetration of crop insurance has increased among the loanee farmers as it is mostly linked to credit disbursal. However, the adoption of crop insurance among the non-loanee farmers need to be encouraged through mass awareness campaigns.

Business Session 6: New Sustainable Financing Sources and Digital Technology to Mitigate High Transaction Costs and other Agricultural Development Barriers

35. Financing activities for sustainable agriculture still remains a challenge. International organizations use different criteria to identify sustainable projects. There is a need to develop and adopt common standards and criteria to facilitate synergies that would be helpful in scaling up sustainable projects and programs.

36. High monitoring and supervision costs is an impediment for implementation of green projects. Enhanced usage of digital technologies and development of parametric approaches are recommended for decreasing such transaction costs in such projects.

37. Umbrella Programme in Natural Resource Management (UPNRM) brought a paradigm shift from grant to loan programmes in the NRM sector in India. In view of the experienced gained through this, intensive handholding is recommended for project appraisal and monitoring of such innovative loan-based projects.

Closing Session

38. Despite impressive growth in formal agricultural credit, about 30% of agriculture households still avail credit from non-institutional sources. Further, there is an uneven distribution of credit among different regions in India. Therefore, Banks should be incentivised to lend in backward and credit starved regions.

39. The analysis of the state wise flow of institutional agriculture credit in India has revealed uneven distribution of credit amongst states compared to their corresponding share in farm output.

This regional disparity is on account of variation in credit absorption capacity of people in these regions. NABARD should devise mechanism through which funds like Rural Infrastructure Development Fund (RIDF) could be earmarked for such backward and credit starved regions.

40. The Internal Working Group (IWK) of RBI on agriculture credit has recommended a comprehensive review of Priority Sector Guidelines for agriculture in general and for small and marginal farmers in particular. The RBI needs to initiate steps to implement the recommendations of the working group. Some of them are (i) Building up of an enabling ecosystem through digitization of land records (ii) Reforming of land leasing framework (iii) Creation of a national level agency to build consensus between the state governments and the Central government with regards to agriculture related policy reform (iv) Innovative digital solutions to bridge the gap between the banks and farmers for expediting the credit delivery process.

41. Allied activities in agriculture such as dairy and poultry farming, fishing and aquaculture contribute around 40% of agricultural output but only 6 to 7 per cent of agriculture credit flows to these sectors. So, there is need to channelize more credit to these allied sectors in the form of term loan leading to capital formation and additional income to the farmers.

ABOUT THE HOST AGENCIES

About APRACA



The Asia-Pacific Rural and Agricultural Credit Association (APRACA) is a regional association of the development financial institutions that promotes cooperation and facilitates mutual exchange of information and expertise in the field of rural and agricultural finance in the Asia-Pacific region. Under the auspices of Food and Agriculture Organization of the United Nations (FAO), the central banks, rural and agricultural credit institutions in the Asia-Pacific region formally launched APRACA on 14 October 1977, during the third FAO Asian Conference on Agricultural Credit and Cooperatives, held in New Delhi, India. India was one of the 16 founding member countries of APRACA and Shri. G.V.K. Rao, Secretary (Agriculture) to the Government of India as the first Chairman of APRACA. NABARD has a long-standing association with APRACA. NABARD's former Chairman Dr. Y C Nanda served as APRACA's Chairman from 1999 to 2001 and the current NABARD Chairman Dr. Harsh Kumar Bhanwala is presently its Vice Chairman. APRACA is headquartered in Bangkok, Thailand. It has a total membership of 87 institutions from 24 countries consisting of central banks, regulatory authorities, ARDBs, cooperative banks, federations, commercial banks, agri finance -related government. agencies, MFIs, banking associations, institutes, foundations and investment fund & technology solution organizations. Keeping in view the demand of the member countries in the region and to build the capacity of the financial institutions and its staff members through training and exposure visits, APRACA established specialized agencies : APRACA -CENTRAB (for training in rural banking) in Manila, Philippines, APRACA-CEREFA (research in agricultural finance) in Beijing, China and APRACA Consulting Services (ACS) in Jakarta.

About AFRACA



The **African Rural and Agricultural Credit Association** is a regional association of financial and non-financial institutions involved in promoting rural and agricultural finance in Africa. AFRACA was established in 1977 alongside similar institutions across the globe as a lead advocate and coordinator of rural and agricultural finance in their respective regions. The AFRACA Secretariat is based in Nairobi, Kenya where it was registered under the NGOs Coordination Act in 1981 and received diplomatic status in 2003. The concept of Regional Agricultural Credit Associations (RACAs) finds its origin in the FAO-sponsored Regional Seminar on Agricultural Credit for Small-holder farmers held in Accra, Ghana in 1973. Subsequently, the World Food Conference on credit for small-holder farmers in developing countries held in Rome in 1975 recommended that FAO should assist its member countries to establish such associations in different parts of the world. This resulted in the founding of three regional credit associations: African Regional Credit Association (AFRACA), Near East, North Africa Regional Agricultural Credit Association (NENARACA) and the Asia-Pacific Rural and

Agricultural Credit Association (APRACA) and later a similar Association (ALIDE) was established for the Latin American Region. Specifically, the African Rural and Agricultural Credit Association (AFRACA), a member based organization was established in 1977. The Association was initially based in Accra, Ghana but relocated to Kenya where it was registered under the NGOs Coordination Act in 1981. Since then, AFRACA Secretariat has been in Nairobi.

About ALIDE



The Latin American Association of Development Financing Institutions (ALIDE) is the international organization that represents Latin American and Caribbean development banking. It was created in 1968 and, at the invitation of the Government of Peru, established its permanent headquarters in Lima, Peru's capital city. The programs, projects, activities and services the Association promotes and carries out are aimed at fostering the unity and strengthening the joint action and coordinated participation of the development banks and financial institutions in the region's socioeconomic progress.

About CICA



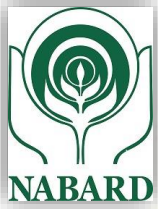
The Confederation Internationale du Crédit Agricole (CICA) is a non-profit and global association to support the banking and financial institutions offering credit and investment services to agriculture and its allied activities. It brings together banks and other institutions involved in the financing of agriculture and rural areas. CICA addresses elected leaders and general managers of these institutions with the aim of providing them with the latest knowledge and advice to guide their agricultural financing policy, to encourage exchange and dialogue between them and to enable them to innovate and improve financial services for agriculture and the rural sector. CICA also wants to help promote ideas on agricultural finance for public opinion, governments and specialized institutions.

About NENARACA

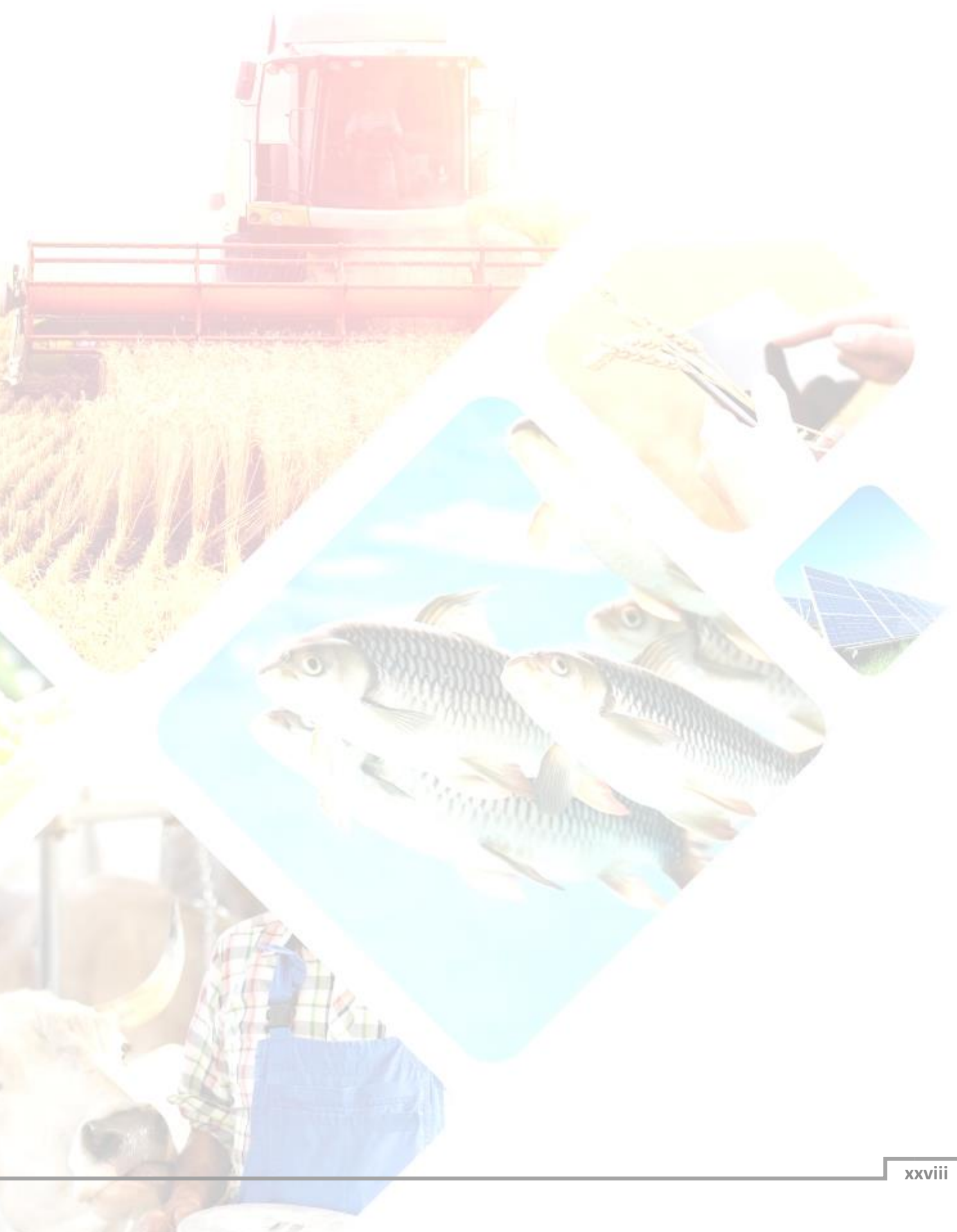


The Near East and North African Rural and Agricultural Credit Association (NENARACA) is a voluntary regional association of credit institutions and agencies in the Near East and North Africa Region that deal directly or indirectly with agricultural credit operations and development. It was established on 8th December 1977 in response to a growing need among the countries of region and for fulfilment of the recommendations by FAO 1975 World Conference on Credit for Farmers in Developing Countries for establishing regional agricultural credit associations (RACAs).

About NABARD



National Bank for Agriculture and Rural Development (NABARD) is India's apex development bank, formed by an Act of Parliament in 1982 and wholly owned by the Government of India. Its mandate is promoting sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for securing prosperity. From being a pure refinance provider in 1982 to India's apex development bank in 2019, NABARD, today, directly and indirectly, touches lives of millions in rural India. This journey of last nearly four decades has seen the institution defining a clear and purposeful role for ourselves in rural India and seen us playing a larger role in nation building. NABARD's Head Office is located in Mumbai and has a pan-India presence with 31 Regional Offices. NABARD has a phenomenal district level outreach with 423 District Development Managers engaged in rural development. The institution has its training establishments situated in Bolpur, Lucknow and Mangalore, which serve the capacity building requirements of rural financial institutions across the country and Asia Pacific countries, besides our own staff. NABARD's functions are aimed at building an empowered and financially inclusive rural India through specific goal-oriented departments, which can be categorized broadly into three heads of activities: Finance, Development and Supervision. These three broad heads enable us to touch almost every aspect of rural economy: providing refinance support, building rural infrastructure, preparing district level credit plans, guiding and motivating the banking industry in achieving credit targets, supervising Cooperative Banks and Regional Rural Banks, helping them develop sound banking practices, enabling them to on-board to the Core Banking Solutions, designing new projects for rural development, implementing Government of India's development schemes, training handicraft artisans and providing them a marketing platform for selling their articles among others.



1. BACKGROUND

1.1 The beginnings of the Agricultural Credit Associations (ACAs)

The creation of an international network to promote agricultural and rural financing and conduct forums for exchange of expertise and experiences started in 1950 with the establishment of the Confederation Internationale du Crédit Agricole (CICA), an international agricultural credit association (ACA). In the late 1960s to 1970s, regional agricultural credit associations (RACAs) were likewise established in each geographic region of the world: Africa, Latin America, Asia-Pacific and Near East-North Africa. They came to be known, respectively, as the African Rural and Agricultural Credit Association (AFRACA), the Asociacion Latino-Americana de Instituciones Financieras para el Desarrollo (ALIDE) (or Latin-American Association of Development Finance Institutions), the Asia-Pacific Rural and Agricultural Credit Association (APRACA), and the Near East-North Africa Rural and Agricultural Credit Association (NENARACA).

1.2 ACAs' common objectives

These five agricultural credit associations (collectively known with the acronym ACAs) have a total membership of more than 300 financial institutions operating in more than 100 countries all over the world. Their common objective is to promote rural and agricultural financial systems that encourage economic development while maintaining social and environmental balance. In the beginning, the ACAs' members were mostly agricultural and development banks. However, in the course of time, most ACAs have embraced other key rural finance stakeholders as their members: central banks and other regulatory authorities, commercial banks with strong rural presence, microfinance institutions, national federations of banks and cooperatives, government finance-related agencies and institutes.

The common aspirations, values, outlook, structure and clientele, had over time led to the direction of some form of loose networking between and among the ACAs focusing on experience and expertise sharing. Each ACA participated in each other's meetings and assemblies, invited association officers as resource persons, and undertook exchange and field visit programs for their respective members. The networking thus created a powerful forum for collaboration and cooperation.

1.3 Convening the World Congress on Rural and Agricultural Finance

In 2003, the ACAs Chairmen and Secretaries General met officially for the first time to collectively deepen the modes of cooperation, particularly to share experiences and expertise on the current and emerging world issues that impinge on agriculture and ACAs members' ability to effectively respond. The ACAs bearers met to jumpstart a proposal to conduct a regularly held world congress, to be hosted by the ACAs in rotation, to particularly dwell on pertinent global issues confronting rural and agricultural finance institutions. In order to smoothly prepare for the activity, the World Congress Steering Committee, consisting of incumbent ACAs Chairmen and Secretaries General, was formed.

Subsequently, the World Congress Steering Committee agreed to hold the 1st World Congress in Addis Ababa, Ethiopia on November 25-27 2005, under the auspices and hosting of CICA. During this first world congress, the co-organizers reviewed the current state of agricultural and rural finance in different economic, socio-cultural and institutional environments and settings. They also shared their experiences and joined forces to achieve the 2015 millennium goals as defined by the international community at the Millennium Summit.

The 2nd World Congress was held in Bangkok, Thailand on October 31- November 2, 2007 and hosted by APRACA and the Bank for Agriculture and Agricultural Cooperatives (BAAC), with the Royal Patronage of His Majesty the King of Thailand.

The 3rd World Congress was held in Marrakech, Morocco on October 28-30, 2010 and hosted by NENARACA and its member Groupe Crédit Agricole du Maroc, under the Royal Patronage of His Majesty the King of Morocco and with the support of the Government of Morocco.

The 4th World Congress was held in Paris, France on September 26-28, 2013 and hosted by CICA and its member Credit Agricole SA, with the support from the Government of France.

The 5th World Congress was held in Dakar, Senegal on November 24-25, 2016 and was hosted by AFRACA with support from the Government of Senegal.

The above-mentioned World Congress' brought together various stakeholders from around the globe to share experiences on emerging and cross-cutting issues in the industry as well as to showcase best practices and innovations in the rural and agricultural finance space worldwide. Agricultural and rural finance institutions are key stakeholders in addressing these challenges as they provide rural people and agricultural communities with needed financial services. The World Congress additionally promoted international and inter-regional cooperation to revolutionize finance for the agricultural value chains, reduce the incidence of adverse climate change, promote technological innovation in banking and encourage private-sector partnership in the primary sector.

1.4 Convening the Sixth World Congress

The holding of the Sixth World Congress in New Delhi, India to be co-hosted by the National Bank for Agriculture and Rural Development (NABARD) and APRACA was approved by the World Congress Steering Committee and officially announced during the 5th World Congress held in Dakar, Senegal in November 2016.

1.5 Background and Theme of the Congress

The agriculture sector is a major contributor to the national GDP of agriculture-based economies as compared to other sectors of the economy and is a primary source of livelihood for more than half of their total workforce. Credit is needed as an important indirect input among others to enhance productivity in agriculture. In the context of rapid demographic growth, uncertain agricultural production and in order to promote global value chains in agriculture, it is imperative to boost this sector (including its sub-sectors) to meet the growing consumption demand. This will enable countries to tackle food insecurity, wealth/job creation, while ensuring that agriculture and rural development

is in line with sustainability, social harmony and natural resources conservation. Agricultural and rural finance institutions are major stakeholders in these challenges as they continuously innovate in order to provide rural people with the most appropriate and suitable financial services that take into account their existing needs and anticipate the changes to come. The theme of the 6th World Congress has been carefully chosen as *'Rural and Agricultural Finance: Critical Input to Achieve Inclusive and Sustainable Development'*.

**1st Steering Committee Meeting in
Bangkok, Thailand**



**2nd Steering Committee Meeting in
New Delhi, India**



3rd Steering Committee Meeting in New Delhi, India on 2-3 July 2019



2. OBJECTIVES AND METHODOLOGY

2.1 Venue and date

The 6th World Congress on Agriculture and Rural Finance and Dissemination Forum on the Theme: Critical Inputs to Achieve Inclusive and Sustainable Development was held at the Durbar Hall of the Taj Palace Hotel in New Delhi, India on 12-13 November 2019. India, known for its culture and heritage, is also an important destination for its primary products where agriculture and allied activities alone employ more than 50% of the population. The capital city New Delhi is a weekend gateway to Taj Mahal, Agra.

2.2 Organizers and hosts

As in the previous world congresses, the international event was co-organised by the five agricultural credit associations (ACAs): the *Confederation Internationale du Crédit Agricole* (CICA), the African Rural and Agricultural Credit Association (AFRACA), the *Asociacion Latino-Americana de Instituciones Financieras para el Desarrollo* (ALIDE), the Asia-Pacific Rural and Agricultural Credit Association (APRACA), and the Near East-North Africa Rural and Agricultural Credit Association (NENARACA).

The 6th World Congress was hosted by APRACA and its member National Bank for Agriculture and Rural Development (NABARD), with unfailing support from the Government of India.

2.3 Dissemination forum objectives

The 6th World Congress continued and sustained the depth and breadth of discussions and exchange among the five ACAs. The dissemination forum's objective was to provide an appropriate platform for dialogue and exchange of experiences, to focus on significant world issues that impact on agricultural and rural finance institutions, to synthesize key concepts, success factors, innovations, lessons learned and insights based on the speeches, presentations and discussions and finally to summarize these into an official document – the NEW DELHI DECLARATION.

2.4 Dignitaries, speakers and delegates

The 6th World Congress attracted close to 200 high-level dignitaries, speakers and delegates ([Annexure 2](#) for the list of delegates) from 32 countries. The dignitaries were led by Honourable Finance Minister of India Ms. Nirmala Sitharaman, CEOs and senior officers from the Indian government agencies, senior management representatives of international development agencies and private organizations. Delegates were drawn likewise from various types of ACAs' member institutions: central banks and regulatory authorities, agricultural banks, development finance institutions, commercial banks, microfinance institutions (MFIs), finance-related agencies and non-governmental organizations concerned with rural finance) as well as senior representatives, experts and practitioners from international development partners, various government agencies, other non-member financial institutions, agricultural and agri-related support providers, universities, business corporations and enterprises.

2.5 Forum methodology

An introductory plenary session and an inaugural ceremony consisting of dignitaries from the Government of India and senior representatives of participating institutions ushered in the World Congress and Dissemination Forum. The above two sessions were followed by business sessions containing presentations led by session chairs and international presenters. Presentation visuals such as powerpoints were used to enhance the sharing and were included as addendum to the report. Each session cluster was followed by an open forum and a question and answer period. APRACA and CICA provided eight internationally qualified interpreters for the major languages: English, French, Spanish and Chinese. Selected ACAs Chairmen and ACAs Secretaries General chaired the sessions. Each business session addressed a different session sub-theme and was hosted and organised by members of the World Congress Organizing Committee: APRACA, AFRACA, CICA and ALIDE and local host NABARD. These business sessions were followed by a synthesis of the two-day proceedings, recommendations for continuing the way forward, acceptance and signing of the NEW DELHI Declaration and a closing ceremony. On the side-lines of the 6th World Congress played an important role as an avenue for useful business and social networking among representatives of participating institutions and international development agencies. It was an occasion for ACAs to separately conduct their respective formal meetings and other interfacing special events.

3. DETAILED BUSINESS SESSION WISE PROCEEDINGS

3.1 Introductory plenary session

Theme: Agricultural development and role of financial services to support in achieving the UN 2030 Sustainable Development Goals (SDGs)

- Keynote Address: **Dr. Abhilaksh Likhi, Additional Secretary, Department of Agriculture Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India**
- Special Address: **Dr. Paul Winters, Associate Vice-President (Strategy and Knowledge), IFAD, Rome**
- Special Address: **Mr. Tomio Shichiri, UN-FAO Representative in India, New Delhi**

- Keynote and special addresses

The introductory plenary session, led by Additional Secretary **Dr. Abhilaksh Likhi** of the Indian Ministry of Agriculture's Department of Agriculture Cooperation and Farmers Welfare, Associate Vice-President **Dr. Paul Winters** of the International Fund for Agricultural Development and **Mr. Tomio Shichiri**, UN-FAO Representative in India, provided initial salient points on the theme, 'Agricultural development and role of financial services to support in achieving the UN 2030 Sustainable Development Goals (SDGs)'.



Dr. Abhilaksh Likhi
Additional Secretary, Department of Agriculture
Cooperation and Farmers Welfare,
Ministry of Agriculture and Farmers Welfare
(MoA&FW),
Government of India



Dr. Paul Winters
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○ **Key information**

- Overall agriculture in the world is a smallholder enterprise. In India, small and marginal farmers having less than two hectares of land and constituting about 86% of total operational holdings. In order to extend outreach of formal financial institutions to these groups, the Indian Government's Agriculture Ministry, Reserve Bank and NABARD have joined hands to embark on several schemes and strategies: enhancing farmers' income and connecting them to the output markets through National Agriculture Markets Scheme (e-NAM), creation of Farmer Producers Organisations (FPOs), sub-targeting of 8% of funds for lending to small and

marginal farmers, creation of Kisan Credit Card (KCC) to enable farmers to purchase essential agriculture inputs, interest subvention to farmers with short-term crop loans up to INR3 lakh at an interest rate of 7% per annum (p.a.) and a further incentive provision for prompt repayment, among others.

- Financial inclusion is an important enabler of development progress and a powerful tool for achieving the SDGs. Sustainable agriculture encompassing sound rural finance is the foundation of SDG Goal no. 2 and the Zero hunger challenge – central to the achievement of the 2030 Agenda. FAO has various initiatives to address the concerns, including assisting governments in developing policy and regulatory frameworks for rural financial inclusion, promoting financial innovations and facilitating knowledge exchange between and among countries.
- The majority of rural youth (15-25 age group) (world - 1.2 billion, developing countries - 1 billion) earn in agriculture-related activities. Some 700 million rural youth live in rural areas and peri-urban areas where agriculture is the key economic activity.
- **Key issues and challenges**
 - The incidence of indebtedness is always higher among agricultural households than among non-agricultural households, which point towards a higher need of financial assistance to the former. About one-third of agricultural households still avail credit from non-institutional sources alone, which is still a cause of concern.
 - The informal sector possesses significant informational advantages but distinct limitations on financial services offered.
 - World agriculture faces the challenges of deteriorating natural resources, soil and water as well as the adverse impact of climate change, thus making agriculture a much more risky means of livelihood.
 - While facing opportunities, young people likewise meet particular constraints due to lack of capacities in cognitive skills such as leadership, team-building and networking to get ahead, lack of access to land, without which it is hard to get ahead in agricultural production, and lack access to finance.
- **Key recommendations**
 - Agriculture finance will need to increase farmers' income and food production to feed more than nine billion people by the mid-century. Agriculture value chain finance thus offers an opportunity to reduce financing cost and risks and reach out to smallholder farmers.
 - There should be stronger emphasis on the importance of technology in financial inclusion.
 - It is necessary for government agencies and financial institutions to work hand-in-hand so that policies can be effectively translated into actionable agenda. Sensitisation of their respective grass-roots level workers is important to fully reach out to small and marginalised farmers
 - Governments need to set high priority on the agricultural sector and ensure that it becomes resilient, self-sufficient, competitive and sustainable.
 - The role of and opportunities for youth in rural economic development and transformation must be enhanced to substantially help achieve the SDGs.

3.2 Inaugural Session and Ceremony



3.2.1 Inauguration of the Forum

- Welcome Note by **Dr. Harsh Kumar Bhanwala, Chairman, NABARD, India and Vice-Chairman, APRACA**
- Opening remarks: **Mr. Senarath Bandara, Chief Executive Officer, Bank of Ceylon and Chairman, APRACA**
- Special Address: **Mr. Debashish Panda, Additional Secretary, Department of Financial Services, Ministry of Finance, Government of India**
- Inaugural Address by the **Chief Guest - Honorable Finance Minister of India Ms. Nirmala Sitharaman**
- Vote of thanks: **Dr. Prasun Kumar Das, Secretary General, APRACA**

In a fitting inaugural session and Lighting the Ceremonial Lamp, Chief Guest Honourable Finance Minister of India Ms. Nirmala Sitharaman, NABARD Chairman Dr. Harsh Kumar Bhanwala (APRACA Vice Chairman) and Ministry of Finance Additional Secretary Mr. Debashish Panda provided a glimpse of the Indian farmers' progressive march towards financial inclusion, poverty reduction and zero hunger against the backdrop of the Asia-Pacific agricultural landscape.

- **Key information**
 - Of the 17 UN Sustainable Development Goals (SDGs), several of these are directly linked to agriculture and the rural sector: ending poverty, zero hunger, clean energy, infrastructure, health and gender equality. India and the Indian sub-continent have a long history of financial inclusion and have a lot to share and at the same time learn from other countries' experiences as well.

- NABARD has played a crucial role in the Government's initiatives. India has a vast canvas of experience in handling rural development and credit to reach the rural areas, e.g., the nationalisation of banks in the 1970s, with an objective to make sure that Government schemes reach the unserved through banks. NABARD, along with government agencies, had established self-help groups (SHGs) under the SHG-Bank linkage programme, one of the world's largest microfinance programmes now benefiting approximately 800 million women.
- India has further established vibrant farmer-producers organizations to make sure credit (a total of USD200 billion) and other assistance can be smoothly extended, to act as an anchor to the development of agricultural value chains and to ensure that smallholder farmers deservingly earn from their marketed products.
- Kisan Credit Cards for farmers indicate their creditworthiness make it easier for farmers to avail loans from banks for agricultural activities. Soil Health Cards given to farmers are reformatory steps that inform farmers about the soil fertility and nutrient requirements of their lands and discouraging the farmers from using harmful pesticides and excessive fertilizers.

○ **Key issues**

- The present emphasis is therefore to view agriculture as an "export potential" sector while at the same time as a substantial source for meeting national needs.
- India intends to transform its recognition of farmers as an "Annadata" (the one that provides for food) into an "Urjadata" (the one that provides energy). Thus, farmers are gradually moving from the current proportional dependence on agriculture and rural life into broader concerns of food security, national security, farmer conditions, soil fertility and water management.



○ **Key recommendations**

- Countries are now making concerted efforts and emphasis on e-NAM, an electronically operated national- level market place. Through the digital platform at the local level, farmer-producers would be able to see where and which is the best place to sell their produce.
- The need for taking up water management stress points is now being recognised.
- Farmers' income is central to any financial inclusion measure. As a paradigm shift from productivity to income (doubling farmers' income by 2022) has therefore become an emerging important mission.
- Climate change and environmental pollution in recent decades has become a matter of concern as their impacts are already being felt in the air of the capital city. In this regard various government measures such as water conservation, crop planning, agriculture waste management and creating agri-preneurs are taking place through cooperative federalism.
- At a time when India is experiencing its demographic dividend, the rural youth are encouraged to take up entrepreneurship, through concerted efforts of the Government of India's Micro Units Development and Refinance Agency (MUDRA) scheme. This scheme provides loans to non-farm and non-agri sector, thus reducing disguised unemployment in agriculture.



3.2.2 APRACA Chairman Opening remarks

Bank of Ceylon CEO and APRACA Chairman Senarath Bandara provided key background information on the significance of a World Congress among partner (four regional and one global) agricultural credit associations, which unanimously decide to convene the World Congress for Rural and Agriculture Finance once in every three years to be hosted by one of the five agricultural credit associations to improve the flow of finance and investment in rural and agriculture sectors. The World Congress provides a global platform for debating and sharing complementary competencies of their financial sector, delivering finance to achieve equitable growth and development across the regions, bringing innovations and promoting international and inter regional cooperation. For this 6th World Congress, the organizing committee agreed on the forum theme and designed six business sessions to provide maximum coverage on the topics chosen and invited renowned international experts to share their experiences and views.

3.2.3 Vote of thanks

APRACA Secretary General Dr. Prasun Kumar Das lauded the Honourable Finance Minister of India Ms. Nirmala Sitharaman for gracing the occasion as its Chief Guest and providing insights and a rich source of information and knowledge on the Government of India's vision and mission for the next five years. He conveyed APRACA's appreciation of the efforts of the 6th World Congress Steering Committee, the leadership of the Government of India and the NABARD team under the leadership of its Chairman Dr. Harsh Kumar Bhanwala for their coordinated and well-planned efforts. He acknowledged the presence of delegates from sister organisations- AFRACA, CICA, ALIDE and NENARACA and their members, international partner agencies FAO and IFAD, other international development agencies such as AFD and IFS, the delegates from APRACA and other rural and agricultural finance-related institutions. He thanked the Indian media for covering the important event.

3.3 Business Session-1

Theme: Mainstreaming Sustainable Agriculture to Achieve the 2030 SDG Agenda

Hosted by the **Organising Committee of the Sixth World Congress**

- Introduction to the topic and Opening/concluding remarks - **Session Chair: Dr. Ashok Gulati, Agricultural Economist, Indian Council for Research on International Economic Relations (ICRIER), New Delhi, India**
- Presentation 1.1 Global challenges in food and agriculture – Pathways for a better food security and sustainable food systems: **Dr. Bernard Lehmann, former Secretary of State and Director General of the Federal Office for Agriculture of Switzerland, currently Member of Steering Board HLPE of the Committee of World Food Security (CFS)-FAO**
- Presentation 1.2 IFAD Efforts to Accelerate Delivery of the SDGs: **Dr. Thouraya Triki, Director, Sustainable Production, Markets and Institutions Division, IFAD, Rome**
- Presentation 1.3: **Dr. Pierre Jacquet, President, Global Development Network (GDN), New Delhi, India**

ICRIER Agricultural Economist Dr. Ashok Gulati led a team of experts, consisting of Member of Steering Board (CFS)-FAO Dr. Bernard Lehmann, IFAD Director Dr. Thouraya Triki and Global Development Network President Dr. Pierre Jacquet, in discussing the Organizing Committee-hosted sessionsub-theme, Mainstreaming Sustainable Agriculture to Achieve the 2030 UN SDG Agenda. The session was hosted by the Organising Committee of the 6th World Congress.

- **Key information**
 - The United Nations (UN) estimated that world population may rise to 8.5 billion by 2030 and to 9.6 billion by 2050. In India alone, urban population is expected to increase from 380 million people to 600 million people by 2030.
 - As of 2019, food would not be sufficiently available, affordable, qualitatively sufficient for more than 10% of the world population (>10% in Asia and >20% in sub-Saharan Africa).
 - FAO's answer to realize relevant SDG's depends on five key principles: i) increase productivity, employment and value addition in food systems, ii) protect and enhance natural resources, iii) improve livelihoods and foster inclusive economic growth, iv) enhance the resilience of the people, communities and ecosystem, and v) adapt governance to new challenges. These five principles are interdependent; hence. achievement of one principle is not possible without achieving the other.
 - With its current portfolio of USD 6.6 billion, **IFAD** had benefitted 97 million beneficiaries in 97 countries across the globe. Of these total project cost, 50% is spent in Africa and 35% spent in fragile contexts. The project array primarily focuses on agriculture covering water management, helping farmers integrate within value chains, supporting small rural infrastructure and promotng access to inclusive financial services.
 - The Global Development Network (GDN) is a public international organization that supports high quality, policy-oriented, social science research in developing and transition countries to promote better lives. It supports researchers with financial resources, global networking, as well as access to information, training, peer review and mentoring. GDN acts on the premise that better research leads to more informed policies and better, more inclusive development.

○ **Key issues**

- The population pressure is going to be most felt in South Asia and Sub-Saharan Africa, both being dominated by smallholder farmers. The challenges are to feed the growing population on limited land, dealing with the worsening water supply on per capita basis, the issue of climate change and rapid urbanisation.
- Some agri-related infrastructure are yet to be built.
- The depleting ground water table is the new challenge where ground water table is depleting at a more pronounced rate. The zinc deficiency in soil leading to child stunting is another challenge.
- Conflict, droughts and poor purchasing power would have negative consequence on food sufficiency. Food losses are heavy in least developed counties and food waste heavy in high income countries, both having huge potential for better availability.
- There are four identifiable trends in the world today: i) weakening of multilateralism, ii) trade finance, iii) migration and iv) nationalism. Thus, there is a permanent tension between challenges by globalization and constraints of nationalism.
- Agriculture is usually based on national priorities and not global priorities. Therefore, there is a need for countries to accept global norms. The democratic debates within a nation are spreading a notion of false truth leading to weakening trust on academic research and science. The role of social networks has largely allowed controlled changes in opinion replaced by scientific knowledge. Three major challenges around the globe include the challenge of scientific progress, ii) more complex role of agriculture in climate change and iii) polarization of opinions. The role of private sector in the economic development has always been questioned, because capitalism made inequality across economies socially acceptable.



○ **Key recommendations**

- Although the role of finance is critical to increasing agricultural productivity, more work needs to be done on the marketing of agriculture produce. Therefore, building agricultural value chains is one of the major financial requirements at present.
- There is need to reduce food losses and wastage before reaching the market.
- Productivity gains can be affected by climate change. Ecological footprint of agriculture is often above the ecological carrying capacity. It is necessary to meet the challenges of maintaining quality and limiting load for: water, agro-biodiversity (and biodiversity in general),

soil fertility, animal welfare and greenhouse gas (GHG) emissions. Climate change is impacting the world at a much faster pace than projected. Therefore, an accelerated action plan is required to help in achieving SDGs.

- Effective and efficient uses of given resources, scaling up the resources and expertise in agriculture to small holders and leveraging on technology and innovation are the action agenda that need to be focused on.
- Without any correction on the consumption side, food demand will increase around 60% until 2050. Demography and welfare improvement are the reasons. Productivity has to be improved in order to adjust supply to increasing demand.
- The growing consensus sets the objectives: i) stabilize demand progression at +30% until 2050 (instead of +60%); moderation in meat consumption in developed countries, ii) less concentrate feed for milk and meat, less waste in industrialized countries, more fish; iii) improve productivity progression at +30% until 2050 without surface increase, less losses in developing countries, and iv) improve biodiversity, sustainability and climate change mitigation and adaptation.
- Technological progress (technology, biology) is crucial to managing challenge. Technological progress can potentially lead to acceptance problems by society. At a broad scale, national policy frameworks can help agriculture improve sustainability (sustainable productivity).
- Investments (private, public) in new technologies (digitalisation, genome-editing) in line with societal expectations, and research and extension for improved seeds, plant protection, weed management and weather management are needed.
- The IFAD11 (referring to the 11th replenishment of IFAD's fund resources) impact projects achieve greater economic mobility for 44 million people. The projects are designed and implemented as 50% nutrition-sensitive, 50% youth-sensitive and 25% gender-transformative. IFAD is also committed to implement rigorous impact assessment of 15% of their IFAD11 projects.
- There is thus a need to reinvent capitalism in case of rural-private partnership. The overall package of microcredit, microinsurance and microfinance is the need of the hour.

3.4 Business Session-2

Theme: Smallholder aggregation model for efficient value chains and their financing

Hosted by: NABARD, India

- Introduction to the topic and Opening/concluding remarks - **Session Chair: Prof. Ramesh Chand, Member, NITI, Government of India**
- Setting the tone- FPO movement in India and contribution of NABARD: **Mr. Sunil Kumar, Chief General Manager, NABARD**
- Presentation 2.1 - FPO: Organisation, Design and Systems perspective for sustainability of small and marginal producers: **Prof. Amar KJR Nayak, Professor, Xavier Institute of Management (XIM), Bhubaneswar, Odisha**
- Presentation 2.2 - Agricultural value chains: **Dr. Suresh Pal, Director, ICAR – National Institute of Agricultural Economics and Policy Research (NIAP), New Delhi, India**
- Presentation 2.3 - Role of FPOs: **Mr. Anil Kumar Sharma, Executive Director, Financial Inclusion and Development Department, Reserve Bank of India; Mumbai, India**
- Presentation 2.4 - Access to finance and FPO: **Mr. Bruno Vindel, Task Team Leader, Agence Francaise De Developpement (AFD), Paris, France**
- Presentation 2.5 - Action for Social Advancement's (ASA) role in the rural development of the country: **Mr. Ashish Mondal, Director, Action for Social Advancement (ASA), Bhopal, India**

On the NABARD-hosted session on sub-theme: Smallholder aggregation model for efficient value chains and their financing, Session Chair: Prof. Ramesh Chand led a team of presenters: NABARD CGM Sunil Kumar, XIM Prof. Amar KJR Nayak, ICAR-NIAP Director Dr. Suresh Pal, Reserve Bank of India Executive Director Anil Kumar Sharma, and AFD Paris Task Team Leader Bruno Vindel – in dissecting key issues and constraints covered by the sub-theme.

- **Key information**
 - Small holders are a matter of concern for almost all developing countries, particularly in South Asia, Sub-Saharan Africa and Latin America. This is because the paths of agriculture development in these countries are different from those experienced by developed western economies.
 - Indian agriculture contributes 15.2% to the GDP (2017-18) and about half of the country's population is dependent on this activity.
 - NABARD's contribution to FPO building began in 2008-09 with the loans and grants support to FPOs through community-based organisations (CBOs) under the Umbrella Programme for Natural Resource Management (UPNRM). In 2011-12, the Producers' Organization Development Fund (PODF) was created. The promotion and nurturing of FPOs under PRODUCE Fund and the setting up of NABKISAN Finance Ltd, a subsidiary of NABARD, was implemented in 2014-15. This led to promotional support and credit facilitation through revised PODF guidelines since 2018-19.
 - The agriculture sector in India has undergone significant structural changes indicating a shift from the traditional subsistence towards a market-oriented one. It would be meaningful to view agriculture not as farming alone but as a holistic value chain, which includes farming, aggregating, processing, warehousing (including logistics) and retailing.

- The Agence Française de Développement (AFD) Group funds, supports and accelerates the transition to a fairer and more sustainable world. Focusing on climate, biodiversity, peace, education, urban development, health and governance, AFD carries out more than 4,000 projects in France's overseas departments and territories and another 115 countries. In this way, AFD contributes to the commitment of France and its people to support the UN Sustainable Development Goals (SDGs).
- ASA is a non-profit development organisation operating in central India. ASA's mission is to ensure livelihood of poor people by providing development services, in particular through natural resource development. The organisation provides farm-based solutions for water management, minor irrigation and sustainable agriculture.

○ **Key issues**

- In the western developmental model, small holders could not keep up with large economies of scale experienced by large holders and therefore, vanished over time. This is not the case in Asian countries. Large farmers in these regions have not engulfed the small holders. Thus, it is evident that small holders are an important component in Asian agriculture development model and therefore, require adequate and efficient value chain and financing models.
- There are risks at each of the agricultural value chain points and therefore, if one of the points does not work for a farmer, he/she fails.
- Financial institutions are wary of lending to agriculture and agricultural value chains in view of inherent credit risk (no credit history) and higher cost (scattered holdings, difficulty in monitoring). Agricultural production is undertaken individually, with farmers scattered over geographies. Combining agricultural production with the perishable nature of the produce, small volumes, poor holding capacity, lack of capital and technology for value addition, the bargaining power of the farmer is greatly reduced and their already low share in the value chain is further eroded.
- Agriculture has always been a part of supply chain, but the supply chains are dominated by large borrowers, corporates, multi-national companies (MNCs) and conglomerates. Thus, entities higher up the value chain benefit the most. Corporates can provide ready market and technology, and even finance on the assurance of timely supply and requisite quality.
- Major challenges for sustainable FPOs include i) membership mobilization & awareness, ii) social capital building, iii) professional manpower & capacity building, iv) handholding for business planning, market linkages & regulatory compliances, v) convergence with government schemes/corporates for basic infrastructure, vi) working capital as per business needs on affordable terms and vii) professional handholding for longer period.



○ **Key recommendations**

- Empowering small holders through FPO's is the new focus. The collective efforts of farmers as FPOs have emerged as a potential tool to transform agriculture into sustainable business enterprises.
- It is important to build strong FPO ecosystems that would include national-level advisory and consultative committees, affordable credit facilities, technical and capacity building assistance to FPOs, exclusive web portal for digitization of FPOs and easy monitoring and networking with service providers, among others.
- To develop efficient Agriculture Value Chains (AVCs), there is need for reforms that ensure inclusiveness and sustainability: i) attraction of large capital and skill-based investment in the agri-supply chain sector, ii) market information with regular surveys to ensure fair price to producer, iii) provision of warehouse and credit facilities in the vicinity of production centres, iv) transparency and fair trading, v) e-NAM implementation, vi) focus on prevention of food wastage, vii) creation of a unified and vibrant agri-marketing system that promotes efficiency and value addition, and viii) efficient mobilisation of credit, such that all actors involved in value chain have access to cheaper credit.
- Agricultural development requires building up an ecosystem that combines public and private stakeholders, among which FPOs have a key role to play. Agri-finance is provided by public or private financial institutions and stands as one of the key components of this ecosystem.

3.5 Business Session-3

Theme: Credit flow to agriculture and its value chain to achieve revitalized rural landscape and deliver inclusive growth

Hosted by: **APRACA, Bangkok, Thailand**

- Introduction to the topic and opening remarks: **Session Chair: Mr. Calvin Miller, Former Senior Officer of FAO and Value Chain Finance Expert**
- Presentation 3.1- Rural revitalization: Mr. Wenhui Qian, President, Agricultural Development Bank of China, Beijing
- Presentation 3.2 - Financial Services: New Mechanism for Change of Thailand's Agricultural Sector: **Mr. Tanaratt Ngamvalairatt, Senior Executive Vice President, Bank for Agriculture and Agricultural Cooperatives (BAAC), Bangkok, Thailand**
- Presentation 3.3 - IFAD development and investments and new instrument for supporting pro-poor value chain finance, corporate organisational aspects, new initiatives within the organisation, challenges ahead and solutions: **Dr. Michael Hamp, Lead Regional Technical Specialist, Rural Finance, Markets and Enterprises, IFAD, New Delhi**
- Presentation 3.4 - The development of financial services for the smallholder farmers market: **Mr. Matt Shakhovskoy, Senior Advisor, Initiatives for Smallholder Finance (ISF), Washington DC.**

Session Chair Mr. Calvin Miller joined ADBC President Wenhui Qian, BAAC SEVP Mr. Tanaratt Ngamvalairatt, IFAD Lead Regional Technical Specialist Dr. Michael Hamp and ISF Senior Advisor Mr. Matt Shakhovskoy, in exploring the APRACA-hosted sub-theme on Credit flow to agriculture and its value chain to achieve revitalized rural landscape and deliver inclusive growth.

- **Key information**

- In 2017, the Chinese government took rural revitalization as a fundamental task for the construction of a modern economic system and formulation of a priority development plan. The Agricultural Development Bank of China (ADBC) has set forth the general requirement of building the rural areas in five aspects: i) "thriving businesses, ii) pleasant living environments, iii) social civility, iv) effective governance, and v) prosperity." It therefore provided a platform for the effective coupling of projects and funds for agricultural and rural development.
- The Bank for Agriculture and Agricultural Cooperatives (BAAC) formulated an inclusive model looking into value chains by combining 'high tech with high touch'. BAAC's outreach is 98% (most likely the highest percentage in the world) of total farm households, i.e., 7.9 million farm households. It has a branch network of 1,272 branches with 1,992 ATMs.
- The International Fund for Agricultural Development (IFAD) is evolving and engaging the private sector much more, both learning from it and stimulating it to contribute more to the agriculture investment and financing, in view of perennially existing financing gaps for small holder finance around the globe. Some 40% of the entire investment portfolio of IFAD goes into major rural finance components as part of more comprehensive projects in our partner countries. Some 35% of them relate to agriculture value chains. Agricultural value chains' development always comes with a finance component. Thus, 50% of IFAD investments are leading globally to agriculture value chain development and finance. IFAD views agriculture

finance as developing financial systems and complex markets to make agricultural value chain development happen.

- The Initiatives for Smallholder Finance (ISF) is a multi-donor and investor platform for the development of financial services for the smallholder farmer market. The ISF acts as a “design catalyst”, emphasising on mobilising additional financing for smallholder farmers and seeding replication of innovative models in new markets.
- **Key issues**
- Countries face the global challenge of rural recession during the process of steady and healthy economic and social development. Agriculture and the rural areas are where the most obvious weaknesses in the development process are and where the primary issues are to be addressed to achieve inclusive growth.
 - There is perennial shortage of both funds for sustainable development and projects that meet the conditions for credit. Despite significant progress in the rural agricultural finance sector, financial service providers are still unable to meet the full USD 240 billion demand of rural households for agricultural and non-agricultural finance. The latest data suggests that providers are currently supplying approximately USD 70 billion. This leaves around USD 170 billion or 70% of the global demand for smallholder finance unmet. This gap cuts across all geographic regions and financing types, but is particularly concentrated in long-term agricultural finance, for which 98% of global demand remains unmet.
 - As with the direct-to-smallholder finance market, there is a large gap when it comes to lending to agricultural SMEs. There is no comprehensive global sizing of the demand and supply for lending to agricultural SMEs, but recent analyses have painted a stronger picture of how the market functions and illustrate why, despite agricultural SMEs playing a vital role in economic development, financial service providers limit their lending to these sub-sector.
 - More funds and investments will be required for rural revitalization. New business modes will have to be developed during rural revitalization to promote the inclusive growth of rural finance.
 - Government rural financial institutions, while serving the financial needs of small farmers, are also mandated to engage in national food security, poverty elimination, agricultural modernization and the integrated development of both urban and rural areas.
 - Most commercially-oriented banks on the other hand are challenged by farmers’ low productivity, high debt burden, market inaccessibility and uncertainty of income.
 - International development agencies are likewise being encouraged to replenish capital funds and also address broadening and emerging development areas: gender sensitivity, nutrition, youth, environmental sustainability, climate change and sensitive investment, among others.
 - Difficulties in value chain development and finance may arise due to politically biased decision- making process, limited implementation capacity, limited experience of the government implementors in value chain development, reluctance of governments to borrow funds for technical assistance, sustainability issues of with government-owned initiatives and higher risk of sub-optimal use of financial resources.



○ **Key recommendations**

- Rural financial institutions share the common values and practices serving agriculture, rural areas, and farmers to achieve rural revitalization and inclusive growth. As suggested by ADBC, rural financial institutions are collectively encouraged to first, transit from “making more money” to “giving more love” and second, to taking the lead in giving benefits to agriculture.
- There is need for RFIs to innovate to support agriculture such as actively participating in agricultural value chain financing, incorporating policy finance throughout the agricultural industry chain, as well as integrating payment and settlement, credit granting and lending with logistics and cash flow in the industry chain. This innovation helps form an ecological circle based on core enterprises and a financial ecological circle along the industry chain, empowering the industrial chain with finance, enhancing profitability and boosting competitiveness.
- Agriculture, rural areas and farmers should be the fundamental concern for inclusive growth. Rural finance should assume the social responsibility that increases along with performance, provide inclusive, targeted services to the general public, achieve inclusiveness in the real sense and give more resources back to those people in need.
- Rural finance should constantly introduce innovative measures for risk prevention and control, and the growth should not be hindered just because of false perception that “agriculture, rural areas and farmers are naturally weak”.
- Rural revitalization and inclusive growth require the joint efforts of all financial institutions. Rural financial institutions should further broaden channels of communication, share development experience, cooperate with each other on a larger scale and at higher and deeper levels, and jointly promote poverty reduction and rural development.
- The role of small and medium agricultural enterprises in reshaping the agriculture sector has been identified in four key areas: i) restructuring agriculture practices, ii) transferring farming technology, iii) supporting small- scale farmers and iv) creating accessibility to markets. Work in these areas should be intensified.
- Agriculture finance is always at the crossroads of value chain (VC) development and finance. We need to achieve multiple objectives at a time in terms of poverty outreach, livelihood improvement, sustainability, but also profitability of the financial service providers who are participating in finance programmes.

- Financial service providers should diversify their portfolio, in order to increase profitability of the business and to promote the potential for expansion of their financial portfolio in the value chains.
- Special initiatives and innovation hubs are important to relate to global agenda of G20 and global partnership for financial inclusion relating to remittances and payment system, holistic agriculture, risk management and insurance for rural resilience and economic development.
- In recent years, new financing products have begun to penetrate rural markets. These include the rise of lending “innovators”—fintechs and mobile network operators that deliver credit directly to rural households through digital channels, holding the associated credit risk on their own balance sheet. Rural financial inclusion should adapt to the broadening set of private sector players, and regulators who engage in digitization and innovative ICT4D which are quickly transforming the delivery of financial services across value chain actors.
- Adapt processes and culture to address the challenges ahead.



3.6 Business Session-4

Theme: Agriculture Value Chain Finance Innovations and Lessons- Case Studies in Africa

Hosted by: **AFRACA, Nairobi, Kenya**

- Opening Remarks: **Mr. Thomas Essel, Secretary General, AFRACA**
- Session Moderator and Setting the stage:
Dr. Calvin Miller, Former Senior Officer of FAO and Value Chain Finance Expert
- Presentation 4.1 - Agricultural insurance as a risk mitigation tool in AGVCF:
Mr. George Kuria, Chief Executive Officer, ACRE Africa
- Presentation 4.2 - Agricultural risk-sharing financing schemes: The Case of GIRSAL:
Mr. Thomas Essel, Secretary General, AFRACA
- Presentation 4.3 - Commercial Villages Market-driven model in AGVCF:
Mr. David Ruchiu, Executive Director, Farm Concern International
- Presentation 4.4 - MobiGrow Smallholder Financial Inclusion Model:
Mr. Dickson Naftali, Head of Program, MobiGrow, Kenya Commercial Bank

AFRACA hosted the discussions on the sub-theme, Agriculture Value Chain Finance Innovations and Lessons from Case Studies in Africa, led by AFRACA Secretary General Mr. Thomas Essel, in tandem with Value Chain Finance Expert Dr. Calvin Miller, ACRE Africa CEO Mr. George Kuria, Farm Concern International Executive Director Mr. David Ruchiu and MobiGrow Kenya Head Mr. Dickson Naftali.

- **Key information**
- AFRACA is committed to ensuring that small holders have access to financial facilities in a sustainable manner. To do this, AFRACA uses policy advocacy on behalf of the small holders, builds capacity of financial institutions, so that they can deliver financial services to meet the needs of the farmers. Case studies in Africa provides insightful and useful agriculture value chain innovations and lessons.
- AFRACA has facilitated programmes that helped its members to get into value chain activities. Without value chain, a small holder farmer may be able to produce a lot but he cannot sell because there are no market linkages.
- Case studies described similar VCF models with two different sectors, processing companies and regions, involving many actors: Afriland First Bank - largest commercial bank, Appropriate Development for Africa Foundation (ADAF) – facilitating Cameroonian NGO, Means, Competencies, Community (MC²) - rural mutual savings and credit microbanks, MITFUND - a local venture capital firm for MC² management training support, DEG – German private sector financier providing a partial guarantee to Afriland First Bank, Farmer cooperatives, formed to aggregate and coordinate with companies, Agribusiness oil palm and rubber plantation companies CAPALM and HEVECA.
- The Rwanda case study involved: i) warehousing and collateral management with quality insurance, drying, grading and bagging; ii) issuing electronic warehouse financing, partnering with six banks; iii) warehouse trading, using a NASDEC style electronic trading platform with remote trade access; and iv) information and market data services for its 280 members of producer organizations (60%), buyers, sellers and financial institutions.
- ACRE Africa, the brand name of Agriculture and Climate Risk Enterprise Ltd. (ACRE), links farmers to insurance products so that they can confidently invest in their farms. Cumulatively,

by 2017, over 1,000,000 farmers in Kenya, Tanzania and Rwanda were insured through ACRE-designed products. These products varied from crop, livestock and index insurance products to shield farmers against unpredictable weather conditions. ACRE acts as a link between small holder farmers and insurers as product designer. It has developed, tested and refined a diverse portfolio of agricultural insurance products to match farmers' widely varying access to inputs, credit, aggregators and contracts.

- The Bank of Ghana in collaboration with the Ministry of Food and Agriculture, and the Alliance for Green Revolution in Africa (AGRA), has designed the Ghana Incentive-based Risk-Sharing System for Agricultural Lending (**GIRSAL**) programme, an incentive-based risk-sharing system for agricultural lending. GIRSAL is a non-bank financial institution incorporated as a private company with Ministry of Finance as the principal small holder with seed funding from Bank of Ghana and African Development Bank. It is currently capitalized with 200 Million GHS and 14 Million USD, respectively. GIRSAL is a complete package that brings into focus a guarantee fund, a technical assistance facility and an insurance, including enabling factors that help GIRSAL deliver credit at minimum risk.
 - FARM Concern International, a not-for profit organisation, acts as a facilitator of markets, and bridges the informal markets to formal market systems. It uses villages as units of development. Villages offer an engaging platform for both businesses and in undertaking social development and for commercial village in harmonising social capital.
 - MobiGrow is a Kenya Commercial Bank (KCB)-tailored product for smallholder farmers offering digital financial services including affordable loans, savings, insurance, and training opportunities. Thus, targeting including small holder farmers in the supply chain turns them into valuable bank customers. This involves KCB going out of the bank and interact with these small holders at the grass roots level to understand their farming practices. This journey started from account creation, mobile money and gradually being able to borrow from their own savings. This led to creating a culture of savings among small holder farmers.
- **Key Issues**
- Long-term financing for small holders especially for land purchase may be extremely difficult and but it can be successful.
 - Despite financing by banks for value chain models, there were not enough examples of good value chain financing with women.
 - Building a strong farmer organization system has positive long-term results.
 - Still, despite success, banks are reluctant to expand sufficiently to meet demand for other farmers' unions and groups. Agriculture value chain finance (AVCF) cases had targeted interventions but cannot address all needed aspects of finance.
 - AVCF is a popular collective term, but often not well understood.
 - Demand-side borrower cases demonstrate a lack of access to suitable financing;



○ **Key recommendations**

- Cases highlight opportunities for financial institutions to collaborate in VCF initiatives with companies further along the chain.
- The public sector's role is important – most innovations had some public support.
- Continual improvement should be embraced. Innovations and learning should not stop.
- AVCF is context specific and must be tailor-fit.
- Successful approaches should use informed AVC assessment to develop appropriate financial and non-financial tools and technologies.
- There are four key things that we look at especially for lenders: i) portfolio growth: increased lending due to higher investment confidence by farmers; ii) social impact: improved farmer livelihood due to increased access to financial service; iii) portfolio protection: reduced non-performing loans; and iv) product differentiation: increased value proposition and competitive edge.
- Insurance can accelerate agriculture finance – using insurance contracts as first level of collateral. Insurance product design has several outputs that can add value to the risk management process: a data-driven agri-risk scoring tool and an early warning risk advisory system. Presence of insurance as the first level of risk management can be used to negotiate for lower rates on alternative risk management tool, e.g., credit guarantees.
- Exploit technology and partnerships. Digital finance tools increase capacity for more data collection compared to traditional finance models. Mobile technology and partnerships enable mapping of agriculture stakeholder locations and delivery of location specific agro-weather advisories.
- The public sector is not very strong in Sub-Saharan Africa and therefore there are significant inefficiencies on market and market systems. Thus, much of agriculture that is done by small holder farming is very informal so, bridging the benefits to producer is required.
- There should be special emphasis on market development in both input and output markets.
- The session recommended the publication of an AFRACA-FAO documentation of Best Practices and all case studies in English and French languages for wider dissemination, the expansion of training workshops and e-learning for agricultural value chain financing.

3.7. Business Session 5

Theme: Agriculture insurance and risk management especially to facilitate achieving the SDGs

Hosted by: **CICA, Zurich, Switzerland**

- Introduction to the topic by Session Chair: **Mr. Jean-Christophe Debar, Director, Fondation pour l'Agriculture et la Ruralité dans le Monde (FARM) or Foundation for World Agriculture and Rurality**
- Opening remarks: **Mr. Pranav Prashad, ILO's Impact Insurance Facility**
- Presentation 5.1: **Dr. Jean Claude Bidogeza, Lead Economist, African Risk Capacity (ARC)**
- Presentation 5.2: **Mr. Ernest Desrosiers, Chairman, La Financière Agricole du Québec, Canada**
- Presentation 5.3: **Mr. Siraj Hussain, Former Secretary, Department of Agriculture & Farmers Welfare, Government of India Visiting Senior Fellow, ICRIER, New Delhi**
- Presentation 5.4: **Ms. Mariem Dkhil, Director, Sustainable Development Finance, Crédit Agricole du Maroc, Rabat, Morocco**
- Presentation 5.5: **Mr. Thierry Langreny, CEO of PACIFICA (Deputy CEO of Credit Agricole Assurance, France)**

Session Chair (FARM) Director Mr. Jean-Christophe Debar, with ILO's Impact Insurance Facility's Mr. Pranav Prashad, ARC Lead Economist, Dr. Jean Claude Bidogeza, La Financière Agricole du Québec Chairman Mr. Ernest Desrosiers, ICRIER Visiting Senior Fellow Mr. Siraj Hussain, Crédit Agricole du Maroc Director Ms. Mariem Dkhil, and PACIFICA CEO Mr. Thierry Langreny, elucidated key messages on the CICA-hosted session sub-theme: Agriculture insurance and risk management especially to facilitate achieving the SDGs.

- **Key information**
 - Agriculture insurance is a powerful tool for socio economic development and favours development of small holders by indemnifying their resources against climate and calamities.
 - For the last ten years, ILO's Impact Insurance Facility has been equally concerned with this sector because of the employment that it offers and the large number of people from formal and informal sector engaged with insurance.
 - One of the biggest strengths seen in the last ten years is the deepened concept of insurance from being a protective tool to being a productive tool, which signifies the new concept can encourage investments, seek better input, and create better linkages to credit that can actually help the farmers at ground level.
 - A major trend in utilising the possibilities of insurance is the product innovation that has happened over the years. Products from being strictly indemnity-based have now moved on to be index-based. India has seen transition from indemnity-based to weather-based crop insurance. Now, it is purely yield-based insurance product. The product has evolved to be more complex. For example, insurance has moved from purely rain-based cover to rain-temperature cover to rain-temperature-humidity-wind speed covers.
 - Another major trend that has helped in bringing out better products is the increased use of technology, not just for its own sake, but technology across the entire agriculture and insurance value chains. Starting from market research, finding out what the customers need, enrolment, product development, actual premium payments to loss assessment, verification

and actual pay-out of claims, technology continues to play ever-increasing roles. This strength will continue to move forward.

- The African Risk Capacity (ARC) is a specialized agency of the African Union established to help African governments improve their capacities to better plan, prepare, and respond to extreme weather events and natural disasters. Through collaboration and innovative finance, ARC enables countries to strengthen their disaster risk management systems and access rapid and predictable financing when disaster strikes to protect the food security and livelihoods of their vulnerable populations. The idea behind the formation of this agency is that humanitarian aid cannot reach on time during a disaster. Therefore, early tools for disaster management are required. Keeping this in mind, in 2012 the African Risk Capacity (ARC) was set up. The African Risk Capacity is composed of two entities: the African Risk Capacity Agency and the ARC Insurance Company Limited. Together, they provide ARC Member States with capacity building services and access to state-of-the-art early warning technology, contingency planning, risk pooling and transfer facilities.
 - La Financière Agricole du Québec is the only public operator in Québec and therefore it does not follow the PPP model. The mission is to promote development of agriculture directly linked to SDGs. Private sector involvement with government programmes may lead to inconsistencies and therefore not involving the private sector is a preventive measure. To retain the coherence and uniform consistency, Québec does not involve other actors.
 - The Indian story of crop insurance is still a work in progress. India has not yet reached the optimum level of equilibrium even though the budget of the Indian Government for the year 2019-20 in the form of premium subsidy (provided to the insurance companies) is US\$ 3.88 billion. In 2016, a new scheme for crop insurance was launched called Pradhan Mantri Fasal Bima Yojana (Prime Minister Crop Insurance Scheme). The target in 2016 with the launch of this scheme was to cover 50% of the gross cropped area under insurance. This has not materialised and India is still around 35% of gross cropped area.
 - Crédit Agricole du Maroc is a universal bank that finances all sectors. With agricultural expertise as a special vocation, the bank supports the agricultural and rural world and offers solidarity financing tailored to each project, particularly in the context of national investment programs. From the 1990s, this banking network diversified into agribusiness, mortgage financing and subsequently to all economic sectors. The bank is funded by its clients, sponsors and from its profits. Acknowledged as the fourth largest bank in Morocco, it gives special attention to sustainable development.
 - PACIFICA is the tenth largest bank in the world. With the increasing population in Europe, productivity and investment problems are likely to arise. Agriculture productivity in this region is likely to be competitive.
 - The Agence Française de Développement (AFD) Group funds, supports and accelerates the transition to a fairer and more sustainable world. Focusing on climate, biodiversity, peace, education, urban development, health and governance, AFD teams carry out more than 4,000 projects in France's overseas departments and territories and another 115 countries.
- **Key issues**
 - Insurance is not a panacea for risk management. Insurance should contribute for the development of capital growth in agriculture sector. The most important thing has been not

just product creation but also the distribution of these products to the customers. There is a better understanding now that insurance as a stand-alone product may not be the answer to all the issues. So, over the years, there has been a lot of emphasis on “aggregation” or bundling of insurance with both financial services as well as non-financial services.

- The entire gamut of distributing by using the existing infrastructure of different kind of players is an extremely heartening trend because it provides better outreach in an environment where the farmers are connected and comfortable with. The movement of value-added services because of this bundling makes insurance more tangible.
- The importance of training at all levels is coming forward from farmers to their distribution channels. Realising its importance, a lot of companies have started investing in this capacity building exercise.
- The growth and collaboration between the government and the private players, termed and more recognized as public-private partnerships (PPPs), are becoming more important as they emerge especially in Asian and African agriculture sectors.
- The importance of recognition of women as important contributors in agriculture sector has been likewise realised in the recent years. Women have always been there but now their needs in terms of how they access finance and insurance is different and slowly being realised and recognized. Therefore, new processes are now being developed focusing on women and hopefully over time women participation will increase.
- The average farm holding size in India is about 1.08 hectares. In many large states of eastern India, including the State of Uttar Pradesh adjoining the national capital, the average size is just about 0.5 hectares. Due to its diverse nature, India has been struggling to come up with optimum form of crop insurance. At present crop-cutting experiments (CCE) are conducted on field. This is time consuming and less scientific. Thus, India is still trying to find a technological solution assessing the damage to the yield.
- Climate investments of different types are required to be introduced: i) ocean storms, flooding, ii) droughts (80% of negative impact on agriculture is because of droughts), and protection of investment of assets and farmer crops.
- The price of insurance is inversely proportional to cost of protection. The lesser the price of insurance, the more will be the cost of protection. In case of occurrence of disaster, relief work will be carried out by the State which will require funds to be released by banks. Thus, interplay between the State, banks and various other stakeholders involved are important.
- There is a paradoxical situation in agriculture insurance. In case of crop insurance, if the insurers are not making enough profits, the cost of insurance will increase. This increased cost will make it too expensive for farmers to buy insurance, given his disposable income. For a large number of farmers to have access to insurance, insurance costs should be kept in proportion to farmers’ disposable incomes. These proportional costs may not be profitable for insurers.



○ **Key recommendations**

- An improved production with adaptation of new insurance projects is the need of the hour. This requires the following: i) trust factors - between farmer institutions and organisations, ii) technology change- towards simple and easily understandable technology, iii) training of farmers as well as training of personnel involved with them; iv) not to oblige farmers for insurance; however, compulsory insurance for extremely weak farmers is necessary, v) a non-profit organisation (NPO) venture should be stepped up with appropriate government and farmers' involvement; and vi) following best practices to meet SDGs.
- The successful implementation of a crop insurance scheme is dependent on several factors: i) transparency of data- If governments realise more data, more research will take place in this sector. This will lead to improvement in insurance products across the globe; ii) integrity of all the players; iii) technological advancement; and iv) timely claim settlements by insurance companies.

3.8 Business Session-6

Theme: New sustainable financing sources and digital technology to mitigate high transaction costs and other agricultural development barriers

Hosted by: ALIDE, Lima, Peru

- Introduction to the topic and Opening/Concluding remarks by Session Chair: **Mr. Jesus Alan Elizondo, Director General, FIRA, Mexico**
- Presentation 6.1: **Mr. Claude Torre; ARB Department, Agence Française de Développement (AFD), France**
- Presentation 6.2: Financing niches in a strongly regulated agriculture sector- KfW's approach in India: **Dr. Christoph Kessler, Director, KfW Office, New Delhi**
- Presentation 6.3: **Mr. Edgardo Alvarez, Secretary General, ALIDE**

Session Chair FIRA Director General Mr. Jesus Alan Elizondo, together with AFD Department Head Mr. Claude Torre, KfW New Delhi Office Director Dr. Christoph Kessler and ALIDE Secretary General Mr. Edgardo Alvarez presented experiences on the ALIDE-hosted sub-theme, New sustainable financing sources and digital technology to mitigate high transaction costs and other agricultural development barriers

- **Key Information**
 - The Latin American Association of Development Financing Institutions (ALIDE) is the international organization that represents Latin American and Caribbean development banking. It was created in 1968 and, at the invitation of the Government of Peru, established its permanent headquarters in Lima, Peru's capital city. ALIDE's members are 85 banks from 22 countries in Latin America and the Caribbean, Europe — Germany, Spain, France, Portugal— Canada, China, India and Russia, and regional and multilateral financial organizations with regional and international scope. The programs, projects, activities and services the Association promotes and carries out are aimed at fostering the unity and strengthening the joint action and coordinated participation of the development banks and financial institutions in the region's socioeconomic progress. All members share a common agenda of working towards- financial inclusion, economic and social infrastructure, innovation and technological development, and climate change.
 - The *Fideicomisos Instituidos en Relación con la Agricultura* (FIRA), operating since December 31, 1954, consists of four public trusts constituted by the Mexican Federal Government. The Ministry of Finance and Public Credit and the Bank of Mexico serves as trustees. FIRA's objective is to grant credit, guarantees, training, technical assistance and technology transfer to the country's agricultural, rural and fisheries sectors. It operates as a second-floor bank, with its own assets and places its resources through financial intermediaries. FIRA works through a network of eighty-one financial intermediaries (banks and non-bank institutions). In aggregate, FIRA supports 60% of commercial loans given to agriculture. It has one million clients in its portfolio and these clients range from micro enterprises to big companies that export agricultural products. FIRA consists of four funds: i) Guarantee and Development Fund for Agriculture, Livestock and Poultry Farming (FUND), ii) Special Fund for Agricultural

Financing (FEFA), iii) Special Fund for Technical Assistance and Guarantee for Agricultural Credits (FEGA), and iv) Guarantee and Promotion Fund for Fishing Activities (FOPECA).

- FIRA has partnered with various multilateral entities and has installed energy efficiency program, sustainable forestry program, sustainable project program and green project financing program. FIRA is also an issuer of green bonds in Mexico, first time issued in 2018.
- The Agence Française de Développement (AFD) Group funds, supports and accelerates the transition to a fairer and more sustainable world. Focusing on climate, biodiversity, peace, education, urban development, health and governance, AFD teams carry out more than 4,000 projects in France's overseas departments and territories and another 115 countries.
- The National Development Banks (NDB) have a bigger role to play in financing agriculture through the following three instruments: i) financing supply (making ADBs accountable and strengthening governance, quotas imposed on banks, interest rate subsidies, long and subsidised resources and targeted grant and capacity building); ii) financing demand technical assistance, financial education, complementary system and grant matching, investment grants and agricultural vocational training); and risk management environment (credit guarantee fund, subsidy of insurance premiums, regulation and legal sanction, warehouse receipt systems, and disaster fund or public reinsurance fund).
- The International Development Finance Club (IDFC), created in 2011, is the leading group of 26 national and regional development banks from all over the world, a majority active in emerging markets. IDFC is the largest provider of public development and climate finance globally, with USD 4 trillion in combined assets and annual commitments above US\$ 600 billion, including USD 150 billion per year of climate finance. IDFC members have the unique function of supporting domestic policies while transferring international priorities into their own constituencies. IDFC members are aligned with and work together to implement the Sustainable Development Goals (SDGs) and the Paris Climate Agreement agendas. Through IDFC, and in close partnership with other development bank networks, members join forces as a platform to promote and leverage sustainable development investment worldwide. IDFC is chaired since October 2017 by the Agence Française de Développement (French Development Agency) where the IDFC Secretariat is hosted in Paris, France.
- KfW is supporting the Indian government in finding ways to pursue socially responsible yet climate-friendly growth. In partnership with NABARD in India, KfW supports loans to promote renewable energies and to finance credit for small and medium-sized enterprises, or investments in environmentally friendly municipal infrastructure projects.
- India needs energy, in fact far more than it currently produces. Around a tenth of today's energy requirements are not met and that at a time when the economy and population are expanding. At the same time, the Indian energy sector is an enormous burden on the environment and climate. Around two thirds of energy comes from fossil fuels, especially coal. To bridge these energy gaps, and at the same time enable further climate-friendly growth, the Indian government has begun to increase significantly its investments in renewable energies.

○ **Key issues**

- In relation to climate change particularly in low latitudinal countries like Mexico, climate change trends show loss of biodiversity, change in weather events and productivity loss. In 1980, the world had 215 meteorological events that resulted in catastrophes that had to be paid by the insurance companies. In 2018 the world faced 800 such events. These numbers show the challenges of climate change the world is facing today.
- Agriculture is a major contributor to the climate change and the emission of greenhouse gases by 23%. It is second after the energy industry and it is higher than other industries such as transport or real estate industries. Climate change has resulted in decrease in crop production, rise in sea levels affecting agricultural lands by means of saline intrusion, increase in number of tropical storms and natural disasters and rise in ocean temperatures that could lead to the collapse of fish stocks.
- As agricultural activity, the exploitation of forests and changes in land use are responsible for a significant share of climate change, financing sustainable practices and preserving natural resources will contribute to mitigating greenhouse gas (GHG) emissions.
- India's economy is growing at a tremendous rate. Yet hundreds of millions of people still live in poverty. There are no suitable jobs which could offer them an income and prospects for the future. In rural areas the situation is worse than in the cities. Inefficient farming using inadequate equipment on very small areas is often the only possible livelihood. Small and medium-sized enterprises in particular have great potential to create additional jobs in the cities and in the country. Yet even though these businesses account for almost half of today's industrial production and provide work for millions of people, Indian banks are very reserved when it comes to extending investment capital.



○ **Key recommendations**

- The use of green financing as a tool for mitigation of climate change impact is being recommended.
- In order to mitigate climate change trends, the session strongly recommends partnership with various multilateral entities to install energy efficiency programs, sustainable forestry program, sustainable project programs and green project financing programs.

- The FIRA Environmental sustainable agriculture framework resulted in: i) lowering GHG emissions by 49% by using protected agriculture infrastructures, ii) lower water usage by 80%, iii) increase productivity by 235 times per hectare and iv) 48.2% lower use of energy. This framework for protected agriculture, water efficiency, energy efficiency and renewable energies is also being recommended to other institutions.
- Access for rural actors to formal financial services is essential for making the investments required for the development of their activity, but also for managing risks and improving their resilience capacity.
- The impacts of climate change also penalize agricultural production and increase the risks of food insecurity, Hence, actors are encouraged to take actions to strengthen resilience.
- AGREENFI supports the transformation of the practices of partner financial institutions to promote financing for economic activities, including agricultural activities, in rural areas. These activities mainly focus on family farms, producers' organizations, cooperatives, as well as microenterprises and small and medium-sized enterprises. Thanks to a range of financial services tailored to the needs of local financial institutions, as well as customized institutional and technical assistance, AGREENFI also supports the implementation of local public policies for agriculture and rural territories.
- AGREENFI suggested four main operating methods which increase and improve the local range of services (tailored to the specific nature of agricultural and rural activities) and reduce risks for actors who contribute to financing the sector:: appropriate financial resources for local financial institutions, risk-sharing mechanism for financial institutions, support for capacity building for financial partners and actors in the agricultural and rural sector; and possible investments grant mechanism for project initiators.
- The session also recommended the following :
 - building, through financial intermediaries, a deep sector knowledge in agriculture and specialization in order to understand the client needs;
 - managing risk through insurance, track recording, data evidence, ICT technology; and
 - Innovative lending (requiring capacity of the banks to take risks in the short term and to innovate risk mitigation instruments in the long run versus traditional collateral-based lending (preferred by banks).

4. CLOSING SESSION

4.1 Synthesis report on the 6th World Congress proceedings:

During the closing session, the proceedings of the 2 days' programme were summarised by Mr. Jean-Marie Sander, Chairman, CICA. He highlighted that the 6th World Congress held discussion on various theme swich are not only ambitious but carry immense importance for the future of the agricultural sectors of the world. Most of the SDGs such as achieving *No poverty, Zero Hunger, Gender Equality, Good Health and Well-Being* and *Responsible Production and Consumption* formed the focal points of the discussion. With increasing world population and widespread malnutrition prevalent among citizens of the world, a healthy world population in the coming years will not only need higher quantity of food but also of better quality. Our food production system must respond to rapid growth of population and climatic changes. Sustainable production of fisheries requires special attention. Resilience is a very important factor in guaranteeing sustainable agriculture and forestry.

He expressed his happiness in knowing about the highly ambitious programs in India. He went on to mention, in particular, the SHG movement, Aadhar card for each inhabitant and the JAM trinity with the vision to *bank the unbanked, to secure the unsecured, to fund the unfunded* and *to serve the underserved*. He reiterated that the three conditions put forward by Dr. Bernard Lehman are extremely pertinent. Firstly, there is need to stabilize the progression of demand increase to nearly 30% till 2050 (instead of +60%). This can be achieved by moderation in meat consumption in the developed countries and reduction of food wastage, less concentrated feed for milk and meat and more focus on fisheries. Secondly, there is need to improve productivity and reduce wastage in developing countries. Thirdly, he highlighted the need to improve biodiversity, sustainability, climate change mitigation & adaptation. He added that in order to feed the planet and realise a stable future, science, research & innovations hold key. Significant amount of effort is also needed to promote and popularize the research.

There is a need to devise a mechanism to respond better to risks. Insurance is the primary tool being used for risk management. However, sole reliance on insurance may not yield desired results if we do not control the entire ecosystem of agriculturalists. In order to increase the penetration of insurance we need to involve all the players in the supply chain as tools for risk management and insurance product delivery channel. The way forward is to link insurance with credit. He highlighted that as voiced by Dr. Ashok Gulati, Prof Ramesh Chand and Mr. Calvin Miller, countries like India still focused on production of traditional cereals. Small farmers pay little attention to marketing. Development of agriculture value chains will contribute to improving growth and reducing poverty in these countries.

He put forward the question, how do we enhance and make value chain more efficient in Asia and Africa? He remarked that in order to achieve this, all different actors in the value chain are vital and mandatorily need to get organized to exercise their rights. There is also a need to focus on improving the quality of products. He mentioned that, as highlighted by Dr. Suresh Pal, India has achieved success in establishing the value chains for milk but has been unable to replicate the same for other commodities.

He highlighted that in Business Session 4, organized by AFRACA, the house learnt several innovative examples from Africa. For example, Mr. George Kuria spoke about the Agriculture Insurance as a risk mitigation tool in the agriculture value chain finance. He added that it was informative to hear Mr. Thomas Essel talk about the case of Ghana - Incentive-Based Risk-Sharing System for Agricultural Lending (GIRSAL) Project. The role of GIRSAL is to help accelerate financing and interconnectedness of the agriculture sector to ensure that it is functioning at optimal levels across its key components. Mr. Sander further added that on both the days of the event, there was a focus on resilience and risk mitigation as a vital component of agriculture. Agriculture has always been risky and farmers had to rise up to challenges. However, in the past few years, new issues such as globalization, larger fluctuation in prices, trade frictions and climate tension have become central. Further, there have been rising cases of natural calamities. CICA has been working on it for more than two years and published a white paper on agricultural insurance.

Farmers need large and wide array of tools to ensure stable future for their farms. Resilience of farms is the first response but zero risk doesn't exist. Insurance penetrations needs to be expanded. As far as governments are concerned, they have a duty to provide higher grants and insurance. Another requirement is to consider both insurance and non-insurance costs and aim to achieve a balance between the two. Of course, ambitious insurance schemes have been introduced by respective governments in countries like China, India, Quebec and Morocco, but a lot more needs to be done to achieve an 'insured' agricultural sector. He concluded by thanking the organizers and audience on behalf of CICA.

4.2 The NEW DELHI Declaration of the 6th World Congress on Rural and Agricultural Finance

○ Introduction

The essence of the Sixth World Congress on Rural and Agricultural Finance held in New Delhi, India on November 12-14, 2019 is captured in the NEW DELHI Declaration. The importance of Sustainable Development Goals (SDGs) is clearly recognised and the participating institutions in the World Congress are committed to support activities that will contribute to the promotion of investment in agriculture and sustainability in food production systems. The rural agriculture financial institutions will continue to play an important role in scaling up private sector finance to low-carbon emissions and in encouraging climate-resilient investments. The employment of agriculture and rural finance as strategic tool to enhance sustainability in farming systems is being realized. Public-private partnership is encouraged to make a significant impact in alleviating the plight of vulnerable groups and tackling the challenges of food security. Off-farm activities in rural areas to supplement farm incomes will be further promoted. Institutional financing through value chains is seen as the key solution to integrate informal groups into the formal sector. Similarly, collectivization of farmers in the form of farmer producers' organizations (FPOs) will have a great potential in increasing farmers' income when integrated with sustainable value chain. Harnessing advanced technologies such as space and digital technologies to improve agriculture and rural finance delivery system is realised. The importance of risk management practices in the form of agriculture insurance is succinctly acknowledged.

Thus, the Sixth World Congress has heartily endorsed the New Delhi Declaration. Subsequently, it was signed by the following heads/representatives of the convening agricultural credit associations:

- Mr. Jean-Marie Sander, Chairman of Credit Agricole France and Chairman, Confederation Internationale du Credit Agricole (CICA)
- Dr. Bassary Touré, Vice President, West African Development Bank and Chairman, African Rural and Agricultural Credit Association (AFRACA)
- Mr. Edgardo Alvarez, Secretary General, Asociacion Latino-Americana de Instituciones Financieras para el Desarrollo (ALIDE) or (Latin-American Association of Development Finance Institutions)
- Mr. Senarath Bandara, Chief Executive Officer, Bank of Ceylon and Chairman, Asia-Pacific Rural and Agricultural Credit Association (APRACA)
- Dr. Harsh Kumar Bhanwala, Chairman, National Bank for Agricultural and Rural Development (NABARD) and Vice Chairman, Asia-Pacific Rural and Agricultural Credit Association (APRACA).

The detailed text of the New Delhi Declaration is attached in [Annexure 3](#).



4.3 Way Forward: Mr. Mahesh Kumar Jain , Deputy Governor, Reserve Bank of India



The topics covered in the sessions benefitted the over-arching objective of this forum to deliberate on policy priorities in developing sustainable and viable financial services, to support and help in achieving the Sustainable Development Goals (SDGs) of the United Nations. All topics resonate strongly with the governments and development agenda in all parts of the world and from our country's point of view, the RBI's financial inclusion strategy. We have been pursuing the goal of financial inclusion for a long time to ensure that access to formal finance becomes a greater enabler to achieve economic well-being of all sections of the economy.

The RBI's financial inclusion efforts can be traced back to the 1960s when the focus was on channelizing credit to the neglected sectors of the economy and weaker sections of the population. While the government of India nationalised banking operations of few commercial banks in two tranches in 1969 and 1980, RBI also took initiatives such as laying down priority sector lending requirements for banks, lead bank scheme, establishment of regional rural banks, service area approach, self-help group-bank linkage programme, setting up of local area banks and small finance bank and payment banks, all aimed at making available benefits of banking services to all. All these developments brought in a sea of change in the flow of institutional credit to the rural population including population dependent on agriculture. Gradually the country moved towards a multi-agency approach to meet the credit needs of rural areas, including farmers.

The sustainable development framework adopted by the global community consists of 17 SDGs and 169 targets to be achieved by 2030. While Goal no. 2 of the SDG includes targets on agriculture productivity and sustainability, agriculture is also critical to achieve several other SDGs relating to hunger, malnutrition, climate change, gender equality, natural resources protection and jobs. Hence to attain the SDGs of ending poverty and bringing inclusive growth, policy measures related to agriculture need to closely integrate with the SDG targets. Furthermore, the policy should focus on a combination of resources, efficient methods, dynamic cropping patterns, farming that is adaptive and responsive to climate change and intensive use of information and communication technology.

In this backdrop, it is important to focus on the Indian agriculture sector and existing institutional framework that provide credit to the farming community. Agriculture plays a significant role in the Indian economy and provides employment and livelihood to a large section of the Indian population. Approximately, 46% of the working population is employed in agriculture and allied sectors. However, the contribution of agriculture to GDP has been declining from 52% in 1950 to 30% in 1990 and further below 20% from 2010 onwards. In 2018-19 the share of agriculture and allied GVA in overall GVA was 16%. The Economic Survey of India 2018-19 suggests that the growth rate in GVA at 2011-12 prices over the past five to six years has been higher for livestock fishing and aquaculture compared to crops. Allied activities contribute approximately 40% to agricultural output whereas only 6% to 7% of agricultural credit flows towards allied activities.

An important characteristic of Indian agriculture is that it is mainly small holders farming with an average land holding size of 1.08 hectare. Small and marginal farmers accounts for 86% of all holdings and 47% of the operated area. They contribute more than 50% of the total agriculture and allied output. In small holder farming, it remains a challenge to raise agriculture productivity and increase farmer's income. It requires appropriate solutions starting with easy access to modern input and then selling the produce in most remunerative markets. Institutional credit at reasonable cost all along the value chain is one such catalyst instrument that can facilitate this by converting many subsistence farmers into vibrant commercial farmers. They can then diversify their agriculture operations into growing high value crops including fruits and vegetables and engage in allied activities such as dairy, poultry, fishery and honey bee keeping.

Government from time to time has given various policy thrusts and as a result, the Indian agriculture sector has not only become self-sufficient but has also emerged as a net exporter of several agriculture commodities such as rice and cotton. Some of the important initiatives taken by the Government

include implementation of interest subvention scheme to provide credit for crop production at a reduced interest rate, soil health cards to improve agricultural productivity, Pradhan Mantri Krishi Sichi Yojana (Prime Minister Farmer Irrigation Scheme) to ensure irrigation facilities, Pradhan Mantri Fasal Bima Yojana (Prime Minister Crop Insurance Scheme) to ensure a safety net against natural calamities and e-NAM (National Agriculture Market Scheme) to provide better price discovery through transparent auction process. There is also a renewed focus on allied activities to aid income to farmers.

Despite these initiatives there are several challenges confronting agriculture such as diminishing and degrading natural resources, rapidly growing demand for food, not only for quantity but also for quality, stagnating farm incomes, fragmented land holdings and unprecedented climate change, which need to be tackled for long-term sustainability and viability of Indian agriculture. Banks in India have made commendable progress in terms of scale and outreach of formal credit to the agriculture sector. From INR 31.71 billion in 1981 the outstanding advances to agriculture and allied activities have grown significantly to INR 13.69 trillion in 2017-18, constituting 16% of the total bank credit. RBI has initiated setting a national strategy for financial inclusion with the objective of making financial product and services available, accessible and affordable to all citizens in a safe and transparent manner to support inclusive and resilient multi-stakeholders-led growth. The strategic pillar of the financial inclusion strategy would include universal access to financial services providing basic bouquet of financial services, access to livelihood and skills development, financial literacy and education, customer protection and grievance redress. The financial inclusion strategy aims to achieve sustainable financial inclusion by leveraging technology and adopting a multi-stakeholder approach.

One of the key highlights of the financial inclusion strategy is to enhance digital infrastructure in the country through better network bank branches, business correspondent (BC) agents, micro ATMs, POS terminal and internet connectivity facilitating the one towards completely digital onboarding of customers. This would encourage adoption and acceptance of digital payments and promote efficiency and transparency through digital transactions. The implementation of national-level financial digital inclusion strategy would be made successful by effective coordination of all the stakeholders and encouraging decentralised approach by creating a forum to actively involve gram panchayat, civil societies, NGOs to promote and accelerate financial inclusion.

We have come a long way in delivering financial services to excluded sections and segments of our vast country and going forward, the financial inclusion strategy would focus on deepening the reach, usage and sustainability of financial inclusion. Technology has powered Indian agriculture time and again to help overcome productivity stagnation, strengthen market linkage and enhance farm management. Globally it has been established that technology adoption modernizes farmers' production practices and leads to uniform annual returns for farmers, reduced risk of crop failures and increase yields.

Hence, at the macro level, agricultural development policies should focus on leveraging technology with the goals achieving high growth, inclusiveness and sustainability of agriculture. New age technological solutions in the form of products, services and application by agriculture start-ups can build up a smart agriculture value chain that will enhance the sustainability of agriculture. Agri-start-ups could focus on some key areas such as supply chain, infrastructure development, finance related

solutions, form data analytics and information platforms. Agri-start-ups can succeed and scale up only in a conducive ecosystem which is possible only if the agri-business industry comes forward and deepens its engagement with agri-start-ups.

In the past, Indian agriculture faced a formidable challenge to produce more food. Today, India is a food surplus country and a net exporter of many agriculture and allied products. This requires government policies related to agriculture be shifted from managing food scarcity to managing food surplus. Today, Indian agriculture faces an even more demanding challenge to grow agriculture produce sustainably, inclusively and responsibly. This can be achieved when all the stakeholders align their policies and action towards the SDGs. As far as financing of agriculture is concerned in going forward, the banks will have to integrate sustainability into their business strategy and decision-making processes in order to support environmentally responsible projects in the agriculture sector. For this, the banks will have to undertake innovative agriculture financing models to achieve inclusive and sustainable development.

4.4 Vote of Thanks



Mr. Edgardo Alvarez, Secretary General, ALIDE expressed his gratitude to APRACA as host of the meeting, to NABARD for co-hosting and to CICA for its unfailing commitment to this Sixth World Congress and dissemination forum. He also thanked AFRACA and NENARACA for sending their delegates. This forum allowed rural and financial institutions to exchange experiences in relation to this sector.

He highlighted the ideas shared during the course of the two-day congress and captured in the New Delhi Declaration. These are:

- Increase in access of credit for agricultural producers in the formal financial sector;
- Reduction of concentration in activities related to trade industry and consumption, build adequate financing models to meet the working capital requirements of small and marginal farmers;
- Promotion of productive investments and define national priorities for food security;
- Achievement of greater efficiency in channelling of resources from private banks, managing to reduce or eliminate all types interference in management;
- Ensuring healthy financial policies which will allow more efficient allocation of resources;
- Mobilisation of capital to finance investments in technological innovation; and
- Promotion of the modernisation of development banks related to agriculture and rural financing, defining their role and transforming them into ideal institutions and autonomous management.

In his concluding remarks, he thanked APRACA Chairman Mr. Senarath Bandara, CEO Bank of Ceylon and APRACA-Vice Chairman Mr. Harsh Kumar Bhanwala, Chairman of NABARD as well as the Chairmen

and Secretaries General of the organizers- agricultural credit associations for making the 6th World Congress a great success.

4.5 Announcement on the Seventh World Congress



At the end of closing session, Mr. Jesus Alan Elizondo, Director General, FIRA, was pleased to announce that the Seventh World Congress on Rural and Agriculture Finance will be held in Morelia, Mexico and to be hosted by ALIDE.



Host of the event



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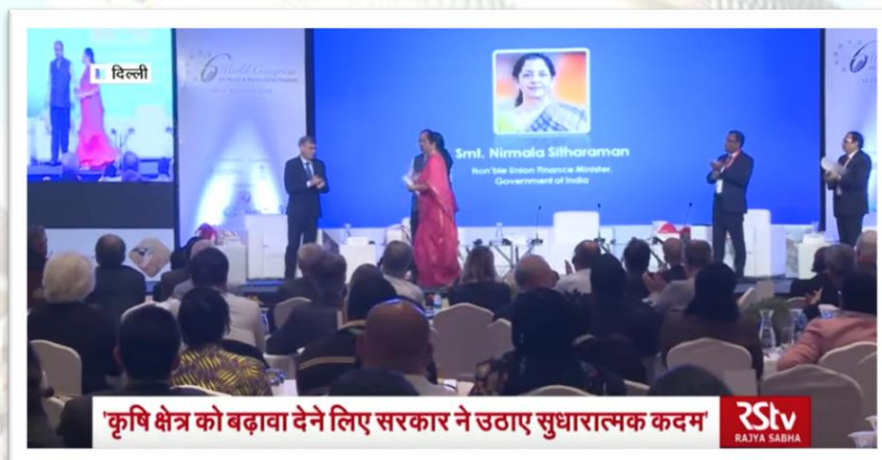


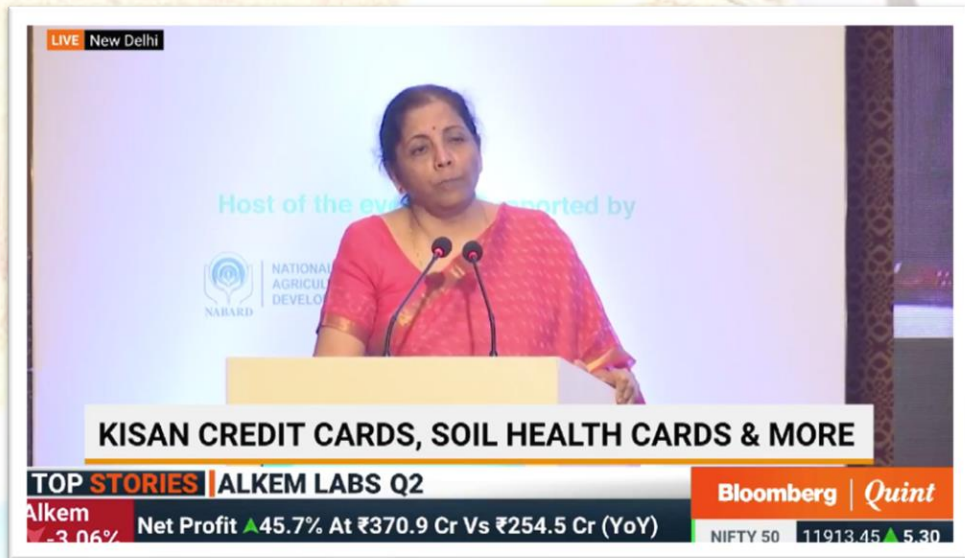
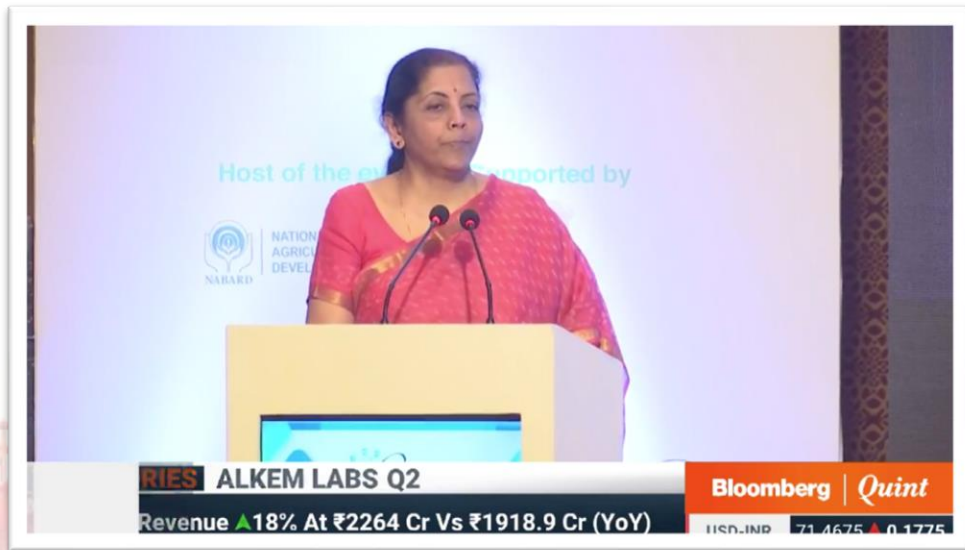
ANNEXURES

Annexures 1: Electronic Media Coverage for 6th World Congress

SL #	CHANNELS	HEADLINE	DURATION	Link
1	DD NEWS	News Fast: Smt. Nirmala Sitharaman at 6 th world Congress	11 Seconds	https://we.tl/t-az7uaKakYr
2	DD News	Smt. Nirmala Sitharaman attended 6 th world Congress on Rural and Agri Finance	1 Min 9 Seconds	https://we.tl/t-i7l4lZuuAT
3	DD News India	Smt. Nirmala Sitharaman pushes for e-Nam	2 Min 2 Seconds	https://we.tl/t-4iARUroRUa
4	CNBC TV18	FM Nirmala Sitharaman says government put rural development, farmers' concerns on a larger map	18 Min 50 Seconds	https://we.tl/t-VGtxwavAnX
5	Rajya Sabha TV	6th World Congress on Rural and Agricultural Finance	2 Min 55 Seconds	https://www.youtube.com/watch?v=5p68qMkCszw&t=48s
6	Bloomberg Quint	Finance Minister Nirmala Sitharaman's Address At NABARD'S 6th World Congress	18 Min 20 Seconds	https://www.youtube.com/watch?v=-gweXZdnPZs
7	ZEE 5	Dr. Harsh Kumar Bhanwala, NABARD, Chairperson on PMC Scam	2 Min 11 Seconds	https://www.zee5.com/pa/news/details/dr-harsh-kumar-bhanwala-nabard-chairperson-on-pmc-scam/0-0-newsauto_4ltrgimstu60
8	ZEE Business	Dr. Harsh Kumar Bhanwala, NABARD, Chairperson on PMC Scam	2 Min 12 Seconds	https://www.zeebiz.com/india/video-gallery-dr-harsh-kumar-bhanwala-nabard-chairperson-on-pmc-scam-114156
9	DD Shayadri	Nirmala Sitharaman at 6 th world Congress on Rural and Agri Finance	1 Min 5 Seconds	https://we.tl/t-ARm08mFBWF
10	Sun Tv	Smt. Nirmala Sitharaman attended 6 th world Congress on Rural and Agri Finance	19 Seconds	https://we.tl/t-V0LfiX8anm
11	News 18 Lokmat	Smt. Nirmala Sitharaman pushes for e-Nam	04 Min 05 Seconds	https://we.tl/t-9z90IOQK2b
12	India TV	Government's Top Priority is Farmers' Concerns And Rural Development: Nirmala Sitharaman	06 Seconds	https://we.tl/t-VsRvwbXzbE
13	My Nation	Government's Top Priority is Farmers' Concerns And Rural Development: Nirmala Sitharaman	1 Min 51 Seconds	https://www.youtube.com/watch?v=jmQBoqevy64







Annexure 2: List of International Participants

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Chief Executive Officer
AGRARKREDIT JSCO

Mr. Adil Gurbanov
Interpreter
AGRARKREDIT JSCO

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Senior Deputy President
ASA

Mr. Md Habibur Rahman
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Ms. Christine Grillet
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 Senior Vice President
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Thailand

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 FSD Zambia

Annexure 3: New Delhi Declaration



Venus: Taj Palace Hotel; New Delhi, India; 12-13 November 2019

Critical Input to Achieve Inclusive and Sustainable Development

NEW DELHI DECLARATION

We, the delegates gathered at the Sixth World Congress on Rural and Agricultural Finance held on 12-13 November 2019 at the Taj Palace Hotel, New Delhi, India affirm the significant contribution of financial institutions to the agricultural and rural economies in achieving the inclusive and sustainable development;

We recognize the importance of the Sustainable Development Goals (SDGs) espoused by the United Nations and we are committed to support activities that would contribute to promote investments in agriculture which is crucial to enhance the capacity for agricultural productivity and sustainable food production systems which eventually are necessary to help alleviate the perils of hunger by 2030;

Likewise, we are cognizant of the fact that the rural and agricultural financial institutions in local economies will continue to play an important role in scaling-up private sector finance to low-carbon, climate-resilient investments in line with countries' Nationally Determined Contributions (NDCs) under the Paris Agreement.

We are mindful that majority of the poor live in rural areas and we accept the challenge of employing agricultural and rural finance as a strategic tool to enhance the resilience and sustainability of farming systems to address this challenge;

We affirm the need to make agriculture and rural finance flexible in order to respond effectively to emerging global developments of ensuring food security, empowerment at the grassroots levels, dealing with present day climate and environmental realities, and rapid technological advances.

We encourage the necessity of increased private-public partnership so that they can collectively make significant impact on alleviating the plight of the vulnerable groups, especially the poor which are mostly in the rural areas;

We also feel the need of promoting off-farm sector activities in rural areas through suitable financial interventions as well as market support with a view to supplement the farm income of rural poor so that the SDGs aimed at ending the poverty in all forms and dimensions by 2030 is expedited.

We have realized that institutional financing to informal groups like Self Help Groups (SHGs) and Joint Liability Groups (JLGs) have not only helped millions of rural women getting socially and financially empowered but have also supported the majority of them to come out of the poverty. Similarly, the collectivization of farmers in the form of Farmer Producer Groups/ Companies have great potential in increasing the farmers' income if they are integrated to a sustainable value chain model and are provided credit support by agricultural and rural financial institutions.

It is also realized that a sizeable number of farmers derive their livelihood from rainfed farming and they also lack opportunity to pursue other allied activities due to many other constraints. There is a need to develop a suitable and exclusive hybrid financial product aimed at fulfilling the production cum consumption credit needs of farmers practicing rain-fed and dry-land farming;

As clearly expressed during the exchange of experiences during this Congress, the business leaders across the globe supported the policies and strategies based on positive values, promoting compassion, transparency, honesty and self-reliance, among others, which is so clearly exemplified by the slogan of 'Make in India' by the Government of India;

We also recognize the critical roles of agricultural and rural banks as pillars of rural finance and development, and are the appropriate instruments to address inclusive economic growth to provide sustainable employment and promote equality;

-2-

Furthermore, we also affirm the strategic partnership between agricultural and rural financial institutions with other microfinance institutions (NGOs and Cooperatives) in bringing the much-needed financial resources to the last mile recipients;

In light of the statements made, we propose that the current efforts in the following concerns be strengthened:

1. Fostering of linkages, partnerships and constant communication among agricultural and rural credit delivery institutions, government and non-government organizations and international development agencies;
2. Adoption of the strategic policies and programme that will enhance the resilience of the agriculture sector to meet the current climatic aberrations, increasing demands for food security and sufficiency in light of the dwindling natural resources and competing demands for non-food uses;
3. Engage with the farm and non-farm enterprises to align the lending and other financial services which may have significant positive environmental and social impacts;
4. Developing sustainable value chains of various commodities and activities in farm and non-farm sectors and arranging institutional finance for supporting the entire value chain;
5. Collectivization of potential entrepreneurs in form of off-farm clusters and Farmer Producer Organizations/Companies (FPOs/FPCs) to take advantage of economy of scale through better backward and forward linkages;
6. Developing a suitable and exclusive hybrid financial product aimed at fulfilling the production cum consumption credit needs of farmers practicing rainfed and dryland farming;
7. Harnessing of advanced technologies such as space and digital technologies to improve agricultural and rural finance delivery systems;
8. Acknowledge the importance of risk management practices in agriculture sector and support the innovations in mitigating these risks and adopt insurance and other credit enhancement instruments;
9. Expansion and improvement of capability building and training activities to allow the rural communities to overcome their vulnerability in the face of natural and man-made crisis;
10. Review and formulation of appropriate legal and regulatory framework that would enhance public-private partnerships to strengthen the flow of financial resources and services to the agricultural and rural economies;
11. Enhance effective use of technical assistance and grants focused on building capacities of the rural population and
12. Acknowledge the necessity for a continuous dialogue and collaboration among agricultural and rural finance institutions in the world and among the agricultural credit associations to accelerate the development of agricultural and rural economies.

Signatories to the New Delhi Declaration of the 6th World Congress

Mr. Jean-Marie Sander
 Chairman
 Confederation Internationale du Credit
 Agricole (CICA)

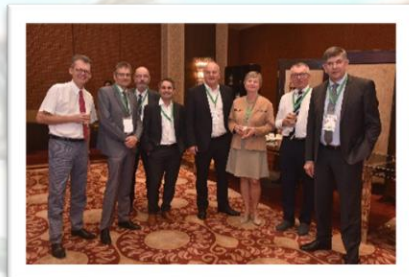
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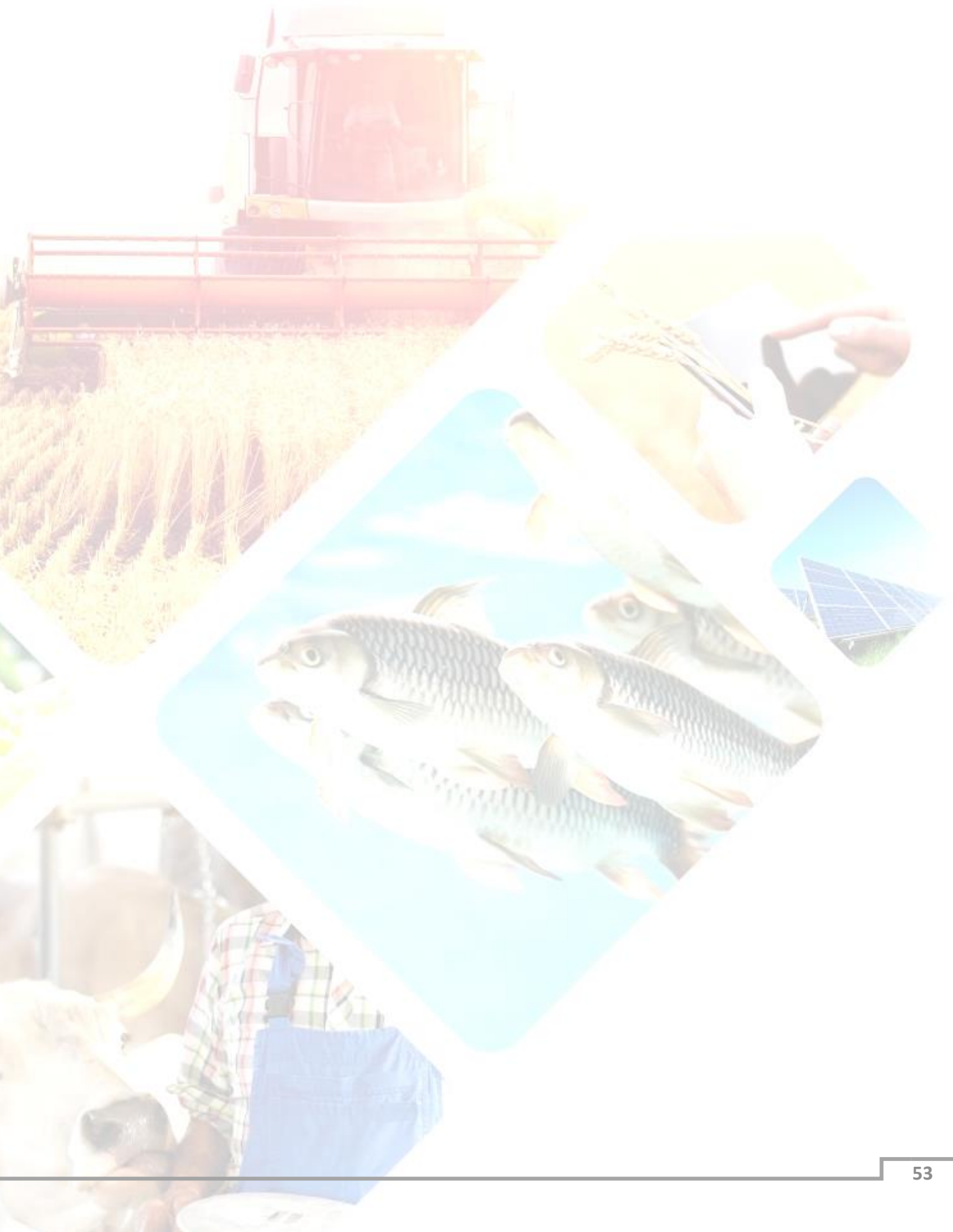
Mr. Senarath Bandara
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REFLECTIONS



The 6th World Congress photograph gallery available at <https://www.apraca.org/world-congress/photo-gallery/>



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